

Being Future Ready



Srei Infrastructure Finance Limited  
Annual Report **2022-23**

# Corporate Information Page

(Annual Report 2022-23)

## Administrator

Mr. Rajneesh Sharma

Administrator Under IBC

## Advisory Committee

Mr. T T Srinivasaraghav (04.10.2021 - 11.08.2023)

Member

Mr. Venkat Nageswar Chalasani (23.06.2022 - 11.08.2023)

Member

Mr. R Subramaniakumar (04.10.2021 - 22.06.2022)

Member

Mr. Farokh N Subedar (04.10.2021 - 31.01.2023)

Member

Mr. V Ramachandra (31.01.2023 - 11.08.2023)

Member

## Implementation and Monitoring Committee

Mr. Rajneesh Sharma

(Constituted pursuant to Hon'ble NCLT Order dated August 11, 2023)

Mr. Sandeep Agarwal

Chairman

Mr. Pavel Poddar

Representative - NARCL

Mr. Manveet Vyas

Representative - IDRCL

Ms. Sudha Ratna

Representative - UCO Bank

Mr. Bishwanath Das

Representative - SBI

Representative - Canara Bank

## Company Secretary & Chief Financial Officer

Mr. Manoj Kumar

## Key Managerial Personnel

Mr. Vishnu Gopal Agarwal

## Statutory Auditors

D. K. Chhajer & Co.

Chartered Accountants

Nilhat House, 11, R. N. Mukherjee Road

Ground Floor, Kolkata - 700 001

## Secretarial Auditor

Mr. Sachin Kumar

4, Fairlie Place, Hmp House, 2nd Floor, Room No. 219, Kolkata - 700 001

## Registrar & Transfer Agents

KFin Technologies Limited

Plot no. 31 & 32, Financial District

Nanakramguda, Gachibowli, Hyderabad – 500 032

Toll Free No. : 1800 309 4001

whatsapp : (91) 910 009 4099

E-mail : einward.ris@karvy.com

## Corporate Identification Number

L29219WB1985PLC055352

## Registered Office

"Vishwakarma", 86C, Topsia Road (South)

Kolkata -700 046

Telephone : 91-33-6160-7734

Facsimile no : 91-33-2285-7542/8501

Email : corporate@srei.com

Website : www.srei.com

## Corporate Office

Plot No. Y -10, Block - EP, Sector - V, Salt Lake City

Kolkata - 700 091

## Listing

BSE Limited

National Stock Exchange of India Limited

## Depositories

National Securities Depository Limited

Central Depository Services (India) Limited

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38th Annual General Meeting on September 30, 2023 at 3:00 P.M (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

## Administrator's Message

Dear Stakeholders,

I take this opportunity to present the 38th Annual Report of Srei Infrastructure Finance Limited (the Company) for the Financial Year ended March 31, 2023.

Owing to governance concerns and defaults by the Company in meeting its various payment obligations, the Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE(1) of the Reserve Bank of India Act, 1934 superseded the Board of Directors of the Company vide its Press Release dated October 04, 2021. Thereafter, the Corporate Insolvency Resolution Process (CIRP) of the Company was commenced on October 08, 2021 by the Order of the Hon'ble National Company Law Tribunal, Kolkata Bench. I was appointed as the Administrator of the Company to carry out the functions as contemplated by the provisions of the Insolvency and Bankruptcy Code, 2016. In this endeavour, a three member Advisory Committee was constituted by the RBI to assist me in the discharge of my duties.

After the commencement of the CIRP on October 08, 2021, along with the Advisory Committee and the current management team of your Company, various initiatives have been taken to ensure "going concern" status of the Company. The focus during the CIRP period has been to strengthen the internal systems and processes of the Company, along with its Risk and Compliance culture. In this regard, the present management of your Company, under the guidance of the Administrator's Office has undertaken various initiatives including efforts to strengthen the policies and processes, compliances, functioning of the IT System, legal, internal audit and updating risk control matrices, information security, operational and credit management risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants.

These initiatives contributed to strengthen your Company's overall governance structure and control environment. On conclusion and complete implementation of all such initiatives, it is expected that the operational efficiency will improve and operational issues are expected to get addressed.

Further, the Hon'ble NCLT vide its Order dated August 11, 2023 has approved the Resolution Plan submitted by National Asset Reconstruction Company Limited (NARCL) in respect of your Company.

The Company is moving towards a crucial stage in terms of the implementation process and confident of achieving a value maximized outcome for all its stakeholders.

I would like to use this opportunity to thank all the employees who are working tirelessly to keep the Company operational, the Creditors who have supported and co-operated in the entire process, the resolution applicants for showing interest in the Company, the Regulators, my fellow members of Advisory Committee and lastly the members of Implementation and Monitoring Committee for their continuous support.

Regards,

**Rajneesh Sharma**  
Administrator

## ADMINISTRATOR'S MESSAGE



# **STATUTORY REPORTS**

# Board's Report

(Report of Implementation and Monitoring Committee)

## DEAR MEMBERS,

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 your Company on October 4, 2021 and appointed Mr. Rajneesh Sharma, as the Administrator of your Company under Section 45-IE (2) of the RBI Act.

On October 8, 2021, the RBI had 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 Corporate Insolvency Resolution Process (CIRP) against your Company. Thereafter, CIRP was initiated against your Company by an Order dated October 8, 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 and to complete the CIRP of your Company as required under the provisions of the Code and had also announced commencement of the moratorium under Section 14 of the Code with effect from October 8, 2021.

Thereafter, RBI vide its Press Release dated October 11, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) 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). As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is 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 also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the administrator in fulfilment of such role and responsibilities. Initially the Advisory Committee consisted of Shri R. Subramaniakumar, former MD & CEO, Indian Overseas Bank, Shri T T Srinivasaraghavan, former Managing Director, Sundaram Finance Limited and Shri Farokh N Subedar, former Chief Operating Officer and Company Secretary, Tata Sons Limited as members. The Committee was reconstituted on June 22, 2022 by the induction of Shri Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India consequent to resignation of Shri R. Subramaniakumar. The Committee was further reconstituted on January 31, 2023 by the induction of Shri V Ramachandra, former Chief General Manager, Canara Bank, consequent to resignation of Shri Farokh N Subedar.

In accordance with the provisions of the Code and with the approval of the Committee of Creditors (CoC) of your Company, the Administrator on February 25, 2022 invited expressions of interest (EOI) from prospective resolution applicants on the basis of the Request for Resolution Plan (RFRP), as approved by the CoC. On April 6, 2022, the final list of Prospective Resolution Applicants (PRA) as per Regulation 36A(12) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with FSP Rules were received and updated on the website of the Company. Further, updations in the list of PRA's were made and the final revised list of PRA's was shared on November 17, 2022.

All the resolution plans were duly presented by the Administrator to the CoC at its 33rd meeting held on January 21, 2023 for CoC's consideration. All the plans submitted by the PRA's were duly given consideration to and the plan submitted by National Asset Reconstruction Company Limited (NARCL) in respect of your Company was approved by 89.2% votes and was chosen as a successful resolution plan under Section 30(4) of the Code (Resolution Plan).

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 and Liquidation Proceedings of Financial Service Providers and Application to Adjudication of Authority) Rules, 2019 against the Plan.

Thereafter, 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 vide the Order passed on August 11, 2023, approved the Resolution Plan submitted by NARCL 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) had 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.

Further, upon the approval of the Resolution Plan by the Plan Approval Order and in compliance with the directions of 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 4, 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 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](http://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).

The Thirty Eighth 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 4, 2021, the said following report is being presented by the Administrator and the Advisory Committee of the Company in fulfilment of their duties under the Code. The summarised financial performance of your Company is as follows.

**KEY FINANCIALS FINANCIAL SUMMARY & STATE OF AFFAIRS**

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Total Income	1,56,289	3,12,197	2,143	3,230
Total Expenses (including impairment on financial instruments, depreciation etc.)	2,51,554	5,59,577	2,419	4,583
<b>Profit / (Loss) Before Exceptional Items &amp; Tax</b>	<b>(95,265)</b>	<b>(2,47,380)</b>	<b>(276)</b>	<b>(1,353)</b>
<b>Exceptional Items</b>	<b>(10,15,593)</b>	-	-	-
<b>Profit / (Loss) Before Tax</b>	<b>(11,10,858)</b>	<b>(2,47,380)</b>	<b>(276)</b>	<b>(1,353)</b>
Current Tax	49	252	-	-
Income Tax in respect of earlier year	6	6,881	5	(2,926)
Deferred Tax	(14)	(38)	-	-
<b>Profit / (Loss) After Tax before adjusting Minority Interest</b>	<b>(11,10,899)</b>	<b>(2,54,475)</b>	<b>(281)</b>	<b>1,573</b>
Non-Controlling Interest	(5)	56	-	-
<b>Profit / (Loss) After Tax after adjusting Minority Interest</b>	<b>(11,10,894)</b>	<b>(2,54,531)</b>	<b>(281)</b>	<b>1,573</b>
Surplus brought forward from previous year (Retained Earnings)	(15,95,389)	(1,218,576)	(2,56,117)	(2,57,398)
Other Comprehensive Income (net of tax)	(14,722)	(33,545)	15,626	(32,707)
<b>Profit Available for Appropriation (Retained Earnings)</b>	<b>(27,51,978)</b>	<b>(15,95,389)</b>	<b>(2,56,374)</b>	<b>(2,56,117)</b>
Paid up Equity Share Capital	50,309	50,309	50,309	50,309
Other Equity excluding Revaluation Reserves	(17,52,283)	(6,56,101)	(62,376)	(77,721)
Earnings Per Share (Rs.)	(220.82)	(50.58)	(0.06)	0.31

**OPERATIONAL REVIEW :**

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

- Total Income is ₹ 2,143 Lacs as against ₹ 3,230 Lacs in the last year.
- Loss before taxation is ₹ 276 Lacs as against ₹ 1,353 Lacs in the last year.
- Net Loss after taxation is ₹ 281 Lacs as against Net Profit of ₹ 1,573 Lacs in the last year.

**Standalone**

During the Financial Year under review, the standalone and consolidated financial statements for the year ended March 31, 2023 have been prepared as per the Ind AS. For the Financial Year under review, your Company suffered a Loss Before Taxes of ₹ 276 Lacs as against ₹ 1,353 Lacs in the previous Financial Year and Loss After Tax for the year under review is ₹ 281 Lacs as against a Profit of ₹ 1,573 Lacs in the previous Financial Year.

**Consolidated**

During the Financial Year under review, your Company's total revenue on consolidated basis stood at ₹ 1,56,289 Lacs as compared to ₹ 3,12,197 Lacs in the previous Financial Year. The overall operational expenses for the Financial Year under review were ₹ 2,51,554 Lacs, as against ₹ 5,59,577 Lacs in the previous Financial Year. Operating Loss Before Tax for the year under review stood at ₹ 95,265 Lacs as compared to ₹ 2,47,380 Lacs in the previous Financial Year. The Loss After Tax for year under review stood at ₹ 11,10,899 Lacs as against ₹ 2,54,475 Lacs in the previous Financial Year.

Key Financial Ratios (in terms of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) are as under -

Particulars	2022-23 (%)	2021-22 (%)
Return on Net worth	Negative	Negative
Yield on Average Funds	Nil	Nil
Cost of Funds	10.00	10.00
Gross Interest Spread	Nil	Nil
Return on Average Assets on Books	Negative	Negative
Capital to Risk Assets Ratio (CRAR)	(31.09) %	(7.82) %

Ratios where there has been a significant change (i.e. change of 25 per cent or more as compared to the immediately previous Financial Year) along with reasons thereof :

Return on Networth is negative & Loss After Tax of your Company during the Financial Year 2022-23 was ₹ 281 Lacs compared to Profit After Tax of ₹ 1,573 Lacs in Financial Year 2021-22, while Networth stands at negative ₹ (4596) Lacs in Financial Year 2022-23 compared to negative ₹ (4452) Lacs in Financial Year 2021-22.

SEFL reported a loss after tax of ₹ 11,219.28 Crores for the Financial Year

ended March 31, 2023 as compared to ₹ 2,772.92 Crores for the Financial Year ended on March 31, 2022. At the end of the Financial Year, the Gross NPAs % of SEFL were 96.92% as against 71.52% in the previous year. The net NPAs (excluding impairment Reserve) for SEFL were at the end of the Financial Year under review is 91.80% as against 61.88% in the previous year. The net NPAs (including impairment Reserve) for SEFL were at the end of the Financial Year is 83.49% as against 52.97% in the previous year.

Considering the above facts, your Company has assessed the carrying amount of its investment in SEFL in compliance with Ind AS and has made

an impairment provision of ₹ 3,104.55 Crores during the Quarter and Financial Year ended on March 31, 2021 bringing down the carrying amount of its investment in SEFL to ₹ 1. This has resulted in negative net worth of your Company.

Gross Interest Spread is computed as the difference between yield on average funds and cost of funds. Since your Company has not done any lending business during the year, there is no interest income and hence Gross Interest Spread is nil.

Return on Average Assets on Books is negative since there is loss in your Company due to impairment provisions on Investments.

The Financial Statements of your Company have been prepared in accordance with Ind AS and the relevant provisions of the Companies Act, 2013 and rules made therein, as applicable and Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). 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 on-going basis. Your Company discloses standalone and consolidated unaudited financial results on a quarterly basis, which are subjected to limited review, and standalone and consolidated audited financial results on an annual basis.

Your Company has been complying with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair Practices, Anti Money Laundering and Know Your Customer (KYC) applicable during CIRP.

#### **TRANSFER TO RESERVES**

Your Company has not transferred any amount to reserves due to losses incurred during the Financial Year ended on March 31, 2023.

#### **OPERATIONS**

As part of the CIRP of your Company, the Administrator, Advisory Committee and the present management team of your Company, under the guidance of the Administrator have taken various initiatives to ensure "going concern" status of your Company as required u/s 20 of the Insolvency and Bankruptcy Code ("Code"). Further, the Code and Regulations thereunder stipulate prior approval by the CoC for certain actions to be taken during the process, including as provided u/s 28 of the Code. The Advisory Committee as set up by the RBI to assist the Administrator in discharge of his duties, exercise oversight on the operations of your Company apart from running the CIRP in accordance to the provisions of the Code and Regulations under the Code. The Administrator has appointed Ernst & Young LLP and AZB & Partners as process and Legal Advisors, respectively to assist him in the Completion of the CIRP of your Company. Further, various internal 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.

The present management of your Company under the guidance of the Administrator has undertaken various initiatives including efforts to strengthen the policies and processes, functioning of the IT System, legal, internal audit, internal financial controls and updating risk control matrices, information security, operational and credit management risk and fraud risk management, through in-house resources and engagement of external professional experts / consultants. The management team also initiated steps for compliance of various applicable rules and regulations within your Company.

These initiatives contributed to strengthen your Company's overall governance structure and control environment. On conclusion and complete

implementation of all such initiatives, it is expected that the operational efficiency will improve and operational issues will get addressed.

#### **DIVIDEND**

Owing to the loss incurred by your Company for the Financial Year under review and due to the ongoing CIRP, no dividend has been declared / recommended on the Equity Shares for the Financial Year ended March 31, 2023.

#### **PUBLIC DEPOSITS**

Your Company decided not to accept any further public deposits or renew such maturing deposits in any manner w.e.f. April 20, 2010 and the entire amount of outstanding public deposits as on April 19, 2010 together with interest promised to the depositors, was kept in an Escrow Account with a scheduled commercial bank for the purpose of making payment to the depositors as and when they raise the claim. As on March 31, 2023 your Company does not have any unpaid / unclaimed deposits payable to the depositors.

Being a Non-Banking Non Deposit taking Company, your Company has not accepted any deposits from the public / members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year and within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

#### **PROMOTERS' GROUP SHAREHOLDING**

As on March 31, 2023 the total shareholding of the Promoters' Group of your Company is 60.80 per cent and none of the Promoter / Promoters' Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialised form.

#### **TRANSFER OF LENDING BUSINESS, INTEREST EARNING BUSINESS & LEASE BUSINESS OF YOUR COMPANY TO SREI EQUIPMENT FINANCE LIMITED AS A GOING CONCERN ON SLUMP EXCHANGE BASIS**

During the Financial Year 2019-20, the Board of Directors of your Company and Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of your Company 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 your Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures), ("Transferred Undertaking") as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement (BTA), in exchange of fully paid up equity shares to be issued and allotted by SEFL, subject to all necessary approvals.

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

SEFL 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). BTA, inter alia, constituted an integral part

of the Scheme. The Hon'ble NCLT vide order dated October 21, 2020, directed SEFL 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, SEFL 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 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

The global economy faced unprecedented challenges in the wake of the COVID-19 pandemic, which disrupted nearly every aspect of life and business. Financial Year 2022-23 marked a critical period for the world economy as it navigated through the uncertainties of the pandemic's aftermath.

The global economy however is going for a gradual recovery from the powerful blows of the pandemic and of Russia's war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets. In IMF's forecast, global growth will bottom out at 2.8 percent in 2023 and would rise modestly to 3.0 percent in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7 percent in 2022 to 7.0 percent in 2023 and 4.9 percent in 2024.

The Financial Year 2022-23 witnessed a gradual but uneven global economic recovery. The International Monetary Fund (IMF) projected a growth rate of 5.9 percent, signalling a rebound from the severe contraction experienced during the pandemic. However, this growth was not uniform across all regions, and various factors influenced the pace of recovery.

Notably, emerging market and developing economies are already powering ahead in many cases, with growth rates jumping from 2.8 percent in 2022 to 4.5 percent in 2023. The slowdown is concentrated in advanced economies, especially the euro area and the United Kingdom, where growth is expected to fall to 0.7 percent and -0.4 percent, respectively, in 2023 before rebounding to 1.8 and 2.0 percent in 2024.

The surge in global demand and supply chain disruptions contributed to inflationary pressures during Financial Year 2022-23. Rising commodity prices, particularly in energy and food sectors, resulted in higher production costs. Central banks grappled with the challenge of balancing their accommodative stance with managing inflation expectations.

The Financial Year 2022-23 saw an increased focus on climate change and sustainable development. Governments and businesses accelerated efforts to transition towards cleaner energy sources and adopt environmentally responsible practices. Sustainable finance gained prominence as investors sought to support initiatives that aligned with environmental, social, and governance (ESG) principles.

The pandemic accelerated the adoption of digital technologies and spurred innovation across industries. Remote work, e-commerce, and digital services became essential components of the new economic landscape. Tech

companies saw unprecedented growth, and investment in areas like artificial intelligence, biotechnology, and renewable energy surged.

### b. Indian Scenario

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in Financial Year 2022-23 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the Government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the Current Account Deficits (CAD) may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in Financial Year 2022-23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the Government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others.

### Impact of the Second Wave

India had faced a major setback due to the second wave of COVID-19. The wave was more virulent and overwhelmed the healthcare system, resulting in a significant loss of lives. The second wave had also posed challenges to economic activities as localised lockdowns impacted businesses and consumer sentiment.

### Fiscal and Monetary Policies

The Indian Government and RBI implemented several fiscal and monetary measures to support the economy during the Financial Year 2022-23. The government continued with its expansionary fiscal policy, focusing on infrastructure spending, rural development, and social welfare schemes to stimulate demand and employment.

The RBI maintained an accommodative monetary policy stance, keeping interest rates at historic lows to support credit growth and investment. The Central Bank also provided liquidity support to financial institutions and introduced targeted measures for sectors affected by the pandemic.

### Trade and External Sector

India's trade balance remained under pressure during Financial Year 2022-23 due to disruptions in global supply chains and fluctuations in commodity prices. The pandemic's impact on global demand and supply constrained export growth, leading to a lower trade surplus compared to previous years. However, the country's foreign exchange reserves remained robust, providing a buffer against external shocks.

### Inflation and Price Pressures

Inflationary pressures were a significant concern during Financial Year 2022-23. Rising commodity prices, supply chain disruptions, and an increase in



fuel and food prices contributed to elevated inflation levels. The RBI closely monitored inflation dynamics and aimed to strike a balance between supporting growth and managing price stability.

### Financial Sector and Banking

The financial sector underwent significant changes during Financial Year 2022-23. The RBI introduced various regulatory amendments to strengthen the banking and non-banking financial company (NBFC) sectors. Measures were taken to address asset quality challenges and liquidity risks faced by financial institutions due to the pandemic.

### Focus on Atmanirbhar Bharat

The Indian Government continued to emphasize the "Atmanirbhar Bharat" (self-reliant India) initiative during Financial Year 2022-23. The aim was to boost domestic manufacturing and reduce import dependence, especially in critical sectors. The government announced various schemes and incentives to promote local manufacturing and exports.

### Outlook for India

The outlook for India during Financial Year 2022-23 remained cautiously optimistic as the economy recovered significantly from the impact of the second wave, driven by the on-going vaccination drive and the gradual reopening of economic activities. The government's focus on infrastructure development, rural economy, and social welfare schemes is likely to support growth and job creation.

India, currently holding the prestigious Presidency of G20 nations, has grown from being the tenth largest economy ten years ago to the fifth largest today. India has been the fastest growing major economy for the third year in a row and is poised for further growth, driven strongly by, among other factors, a robust and diverse technological ecosystem. Diverse and inclusive new-age skilled talent pool with strong entrepreneurial mindset people, fast innovation, responsible & ethical tech & governance built on trust, commitment to Environmental, Social & Governance (ESG) goals, form the cornerstones of this vibrant ecosystem.

### NBFCs IN INDIA

Non-Banking Financial Companies (NBFCs) in India have played a crucial role in addressing the funding needs of segments often excluded from formal institutional financing. In Financial Year 2022-23, the sector faced significant challenges, particularly in the aftermath of the pandemic's impact.

Financial Year 2022-23 began with the lingering impact of the COVID-19 pandemic on the NBFC sector. The pandemic-induced economic downturn led to a sharp reduction in cash flows for many borrowers, affecting the ability of NBFCs to recover dues. Consequently, there was a rise in stressed assets, leading to liquidity challenges and concerns over the financial stability of certain NBFCs.

To mitigate the pandemic's impact on the financial system, the Reserve Bank of India (RBI) introduced several regulatory measures aimed at providing relief to NBFCs and their borrowers :

- **Moratorium on Loan Payment** : NBFCs were permitted to grant a moratorium on loan instalments for stressed borrowers for up to six months. This move provided temporary relief to borrowers facing financial hardships due to the pandemic.
- **Targeted Long-Term Repo Operations (TLTRO)** : The RBI initiated TLTRO 2.0, allowing NBFCs to avail up to ₹ 1 trillion at the policy repo rate. This liquidity support was channelled into investment grade bonds, commercial papers, and non-convertible debentures of NBFCs, thereby easing their funding challenges.
- **One-Time Loan Restructuring** : In response to the economic disruption

caused by the pandemic, NBFCs were allowed to restructure stressed loan accounts of affected borrowers, providing them with additional time to repay their loans.

- To enhance credit flow and support priority sectors, the RBI introduced the co-lending model. Under this model, banks and NBFCs collaborated to extend credit to specified categories of borrowers, with the funding ratio set at 80 : 20. The co-lending model aimed to leverage the strengths of both banks and NBFCs to reach a wider range of borrowers.

### Classification of NBFCs

The RBI proposed a four-layered classification of NBFCs based on parameters such as asset size, liabilities, and systemic importance. The proposed classification aimed to tailor regulatory requirements according to the risk profile and significance of each NBFC in the financial system.

### Liquidity Schemes

To address liquidity challenges faced by NBFCs, the Government introduced liquidity schemes. The Special Liquidity Scheme, with an allocation of ₹ 300 billion, allowed investments in primary and secondary markets in investment-grade debt papers of NBFCs, housing finance companies, and micro-finance institutions. Additionally, the Partial Credit Guarantee Scheme 2.0 provided coverage for borrowings involving sub-AA ratings and unrated papers.

### Asset Quality and Liquidity Risks

The NBFC sector encountered renewed asset quality risks and liquidity challenges in Financial Year 2022-23, particularly during the second wave of the pandemic. The second wave's widespread impact extended to hinterland areas where many NBFCs' clients resided, making it more challenging for the sector to recover.

Non-Banking Financial Corporations (NBFCs) have emerged as the primary source of financing for a vast section of the population including SMEs and have been able to meet the diverse requirements of borrowers in the most efficient and timely approach considering their wide geographic reach, comprehension of the numerous financial needs, and extremely swift turnarounds. Therefore, NBFCs have contributed significantly to the cause of financial inclusion in this process and have also been a key component in fostering the expansion of millions of MSMEs and self-employed people.

NBFCs have also contributed towards the development of the Country's infrastructure. The availability of long-term funding by them has helped in the financial closure and growth of many large-scale infrastructural projects. NBFCs have played a crucial role in fostering credit expansion across various sectors and verticals.

NBFCs have become increasingly important in India owing to the use of technology to reach wider audiences. Many NBFCs have developed digital platforms that allow customers to apply for loans online, making the process faster and more convenient.

However, NBFCs also have their share of challenges. One of the biggest challenges facing NBFCs in India is access to funding. Unlike banks, which have access to low-cost deposits, NBFCs must rely on borrowing from banks or issuing bonds to raise funds. This can make it difficult for NBFCs to compete with banks on interest rates. Another challenge faced by NBFCs is the regulatory environment. While the RBI regulates NBFCs, there are also several other regulators that oversee different aspects of the financial services industry. This can create confusion for NBFCs, especially those that operate across multiple states or regions. Despite these challenges, NBFCs have continued to grow in India. The government is taking several measures to ease the challenging situations prevailing in the sector by way of providing liquidity support to NBFCs, HFCs, as well as MFIs and introducing partial credit guarantee schemes, etc.

## Outlook for NBFCs in India

The outlook for NBFCs in Financial Year 2022-23 remains cautiously optimistic, but the sector faces several challenges. As the economy gradually recovers from the pandemic's impact, the demand for credit may rise, providing growth opportunities for NBFCs.

However, NBFCs must manage their asset quality diligently, closely monitor borrowers' repayment capabilities, and adhere to prudent lending practices. The Central Bank's regulatory support measures and the co-lending model are expected to bolster the sector's ability to meet credit demands.

Operational challenges and liquidity constraints could pose hurdles for smaller and medium-sized NBFCs. The securitization market's adverse impact may limit their fundraising options, necessitating Government and RBI support to ensure a vibrant NBFC sector.

For the broader Indian economy and MSMEs, a robust NBFC sector is vital. Therefore, the Government and RBI must continue providing regulatory support, liquidity measures, and tailored solutions to strengthen the NBFC ecosystem.

## Emerging Prospects of NBFCs in the Indian Financial Landscape

In 2023, non-bank lenders will concentrate on restoring growth by improving asset quality supported by rising retail demand and liquidity, according to a recent analysis by ICRA. The MSME sector and other growing sectors will see more participation from NBFCs as part of the same.

Compared to 15 to 20 years ago the industry's on-going competitiveness shows that it is expanding. Even though banks will continue to compete in the market, NBFCs will remain an important player because of their wider reach, increased flexibility, and cutting-edge digital solutions.

## Conclusion

The NBFC industry accelerates the Country's economic growth. The RBI is continually working to make the required modifications to the NBFC regulatory framework in order to proactively give regulatory assistance to the sector and maintain long - term financial stability. In 2023, NBFCs will make a more significant impact on the socio - economic structure of the Indian economy. The potential for credit penetration in India is still relatively high. NBFCs may establish a new standard by working with fintech and creating new business models with specialised goods.

Financial Year 2022-23 was a crucial period for NBFCs in India, marked by challenges posed by the pandemic and regulatory interventions aimed at alleviating the sector's liquidity constraints and supporting economic recovery. The sector's outlook remains dependent on effective risk management, regulatory compliance, and a cautious approach to credit growth. With continued government and RBI support, a resilient and vibrant NBFC sector can play a vital role in promoting financial inclusion and contributing to the nation's economic growth and development.

## BUSINESS OUTLOOK AND FUTURE PLANS

Your Company is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit taking NBFC however, due to establishment of TRA Account and pursuant to initiation of CIRP, your Company has discontinued the NBFC activities expect for the continuing PFI activities. The management of your Company is closely tracking the financial market dynamics / opportunities in order to source business opportunities and make the business verticals future ready with investor identification process reaching its legitimate closure.

### 1. INFRASTRUCTURE PROJECT ADVISORY

Your Company is significant player in Infrastructure Project Advisory Services. The Infrastructure Project Advisory Division of your Company has established its presence across the infrastructure spectrum as strategic advisors to Central/State Governments, Statutory Bodies, PSUs and Urban Local Bodies

in India and abroad. Your Company offers advisory, consultancy and other allied value added services from concept to commissioning in different domains of Infrastructure – majorly Urban and Industrial precincts. All the activities of this Division is fee based. Some of the significant projects undertaken are given hereunder :

**A. Multilateral Funded Projects / Assignments :** Asian Development Bank (ADB) funded project for development and preparation of a comprehensive strategy for integrated urban infrastructure development in 7 (seven) District Headquarter (DHQ) towns and 13-Urban Local Bodies (ULBs) in Tripura.

**B. Smart City Mission Programme :** Project Development and Management Advisors for Smart City projects Bareilly in Uttar Pradesh.

**C. Atal Mission for Rejuvenation and Urban Transformation (AMRUT) :**

- Independent Review and Monitoring Agency (IRMA) for Rajasthan Cluster to carry out periodic review and monitoring of the projects;
- Creation of Base Maps for 25 towns and Formulation of GIS based Master Plan for 8 towns under 2 (two) clusters in West Bengal.

**D. Jal Jeevan Mission (JJM)**

Your company has also been part of the Centre's flagship mission programme to cover maximum possible households under tap water supply which had very low penetration. As part of this ambitious mission called "Jal Jeevan Mission", your Company has been associated with the stakeholders through implementation of the following project titled :

- Appointment of Third Party Inspection Agency for Jal Jeevan Mission Project in Kargil District.

**E. Food Processing**

For the Ministry of Food Processing Industries, Government of India, your Company has been working as Programme Management Agency (PMA) for :

- Mega Food Park Scheme to facilitate establishment of Mega Food Parks;
- The Scheme for creation of infrastructure for Agro Processing Clusters under the Central Sector Scheme – Kisan Sampada Yojana;
- The Scheme of Creation/ Expansion of Food Processing/ Preservative Capacities (CEFPPC) under the Central Sector Scheme – Scheme for Agro-Marine Produce Processing and Development of Agro Clusters (SAMPADA).

**F. Tourism**

Your Company has been working in the Tourism Sector for over a decade. Your Company has been successfully providing Project Management Consultancy Services for 'Loktak Lake Eco-Tourism Project' in Manipur. This project has now been rechristened as "Manipur Mega Eco-Tourism Project" highlighting the State Government's focus on the same. This project entails establishment of an effective PMC to work in close co-ordination with the Client for preparation of Detailed Project Report (DPR), RFPs, conducting Bid Process Management, Co-ordination with Ministry of Tourism / Other funding agencies for securing funds/ grants and in intermittent design supervision.

**G. Other Infrastructure Engagements**

Your Company continues to work for the following projects in the Urban Infrastructure domain :

- Project Management Consultant (PMC) for implementation of 5 (five) specific Sewerage Schemes in Goa;
- Independent Engineer & Auditor for Food Corporation of India to oversee / supervise setting up of Silos on Design, Build, Finance,

Own & Operate (DBFOO) basis for storage of food grains at Sangrur in Punjab and Kannauj in Uttar Pradesh.

## H. International Engagements

During the year under review, your Company has also worked on few international advisory assignments focused in Africa and Bangladesh.

- To enhance the capacities of the line ministries and other individuals or groups related to the development endeavours and with the aim of institutionalizing the PPP capacity building program in the Country, the PPP Authority, Govt. of Bangladesh engaged your Company led Consortium for providing Comprehensive Training Services on PPP in Bangladesh.
- Your Company has successfully completed preparation of a detailed engineering design of Municipal Waste Collection Centres in Gambia for the Ministry of Fisheries and Water Resources, Republic of Gambia. The project was funded by the African Development Bank (AfDB).

## 2. Ushering in Operational Efficiency

Under the new leadership and management, this Division of your Company has been able to consolidate its financial prudence resulting in the Division being self-sustainable vide positive cash-flow. In fact, the net cash flow has shown a healthy increase of around 130% over the last fiscal. In the year wherein your Company has been undergoing resolution process, this sort of improvement in net cash-flow shows that the fundamentals of the Division are restored and ready to take on new challenges.

A slew of consolidative and strategic measures have been introduced in this fiscal which is thought to have a positive effect on the business in coming days and shall be effective in generating more of stakeholders' value. Few such measures are :

- Thoughtful process adaptation for business procurement through partnership
- Focus on effective resource management through in-house based & managed delivery mechanism
- Right sizing outsourcing in order to have a more balanced and effectively managed project delivery mechanism
- More empowerment across the team structure & hierarchy has been introduced to ensure more focus and self - sustainability.

## 3. Looking Forward

Over this fiscal, your Company has been able to imbibe effective and resolute knowledge within the new gambit of GIS based Master Planning projects. One of the major advantage of this has been that the Division has been able to align its newly built competency with this upcoming sector of Government Advisory.

Apart from this, it is anticipated that in the coming fiscal, opportunities in the realm of partnering Government Bodies to ensure capacity management to effectively run & manage various schemes will be presented before your Company. Based on this, your Company is strategically re-aligning its business modules internally and gearing up for such opportunities.

Further also, it is being anticipated that the next wave of opportunity in Government Advisory shall be across 2 (two) major areas (i) more technology and domain specific with even more strategic support like operational management of smart and specific infrastructures that are now being created; and (ii) on revamping more social attributes connected with livelihood missions in Urban spheres owing to the post pandemic era.

Leveraging its core competency coupled with strategic planning for sectors like Urban Infrastructure (specially focus on water supply, sanitation and

solid waste management) Tourism, Transportation, Industrial Park, GIS-based Master Plan, etc., your Company is working on initiatives for sustainable growth.

## INFRASTRUCTURE EQUIPMENT FINANCE - SREI EQUIPMENT FINANCE LIMITED

Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of 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, SEFL 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 Union Budget 2023-24 has turned out to be a budget that strives to promote infrastructure and development efforts while also focusing on essential elements such as real estate, the industrial revolution, and greater public spending. For the first time, infrastructure development has been allocated 10 trillion rupees. This is five times the amount spent during the previous decade. This year's budget places a heavy emphasis on investing more funds to promote connectivity between cities and build infrastructure projects while maintaining a balance between fiscal consolidation and economic growth.

India is an ideal location for renewable energy investments. More than \$78 Bn have been invested in the Indian renewable energy sector since 2014. Abundant labour, easy access to affordable capital, and single window clearances, make India an attractive destination to set up renewable energy plants. As at March '23, renewable energy projects worth \$197 Bn of investments are underway in India.

Railways, a primary segment of India's overall infrastructure development, has been allocated INR 2.4 Lac Crores, a decade high, in the recent budget for the development of new semi high-speed Vande Bharat trains that are aimed at enhancing connectivity.

The Indian economy has already risen from tenth to fifth in the world in terms of size and during times of adverse global economic setting. The per-capita income, in the last decade alone, has doubled to ₹ 1.97 Lacs, a tremendous feat when compared to comparative growth in other economies.

A 33 per cent rise in infrastructure investment capital spending, or ₹ 10 Lacs Crores for 2023-24, or 3.3 per cent of GDP, is unprecedented in India's economic history and will substantially improve the economy by opening up new avenues of employment for 600 million population that are in employable age of 18 to 35. The budget allocation for building 50 additional airports, helipads and related infrastructure will help improve the logistical reach while cutting down on the logistics cost simultaneously.

The construction Industry in India is expected to reach \$1.4 Tn by 2025.

- Cities Driving Growth - Urban population to contribute 75% of GDP (63% present), and 68 cities will have a population of more than 1 Mn.
- The construction industry market in India works across 250 sub-sectors with linkages across sectors.
- Residential - By 2030, more than 40% of the population is expected to live in urban India (33% today), creating a demand for 25 Mn additional mid-end and affordable units.
- Under National Infrastructure Pipeline (NIP), India has an investment budget of \$1.4 Tn on infrastructure - 24% on renewable energy, 18% on roads & highways, 17% on urban infrastructure, and 12% on railways.
- Schemes such as the revolutionary Smart City Mission (target 100 cities)

are expected to improve quality of life through modernized / technology driven urban planning.

- f. 54 global innovative construction technologies identified under a Technology Sub-Mission of PMAY-U to start a new era in Indian construction technology sector.
- g. 35 Multimodal Logistics Parks (MMLPs) to be developed at a total capital cost of \$ 6.1 Bn, will cater to 50% of the freight movement.

100 % FDI through automatic route is allowed in construction - development projects (which would include development of townships, construction of residential / commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships) 100% FDI is allowed under the automatic route for urban infrastructure areas like urban transport, water supply, sewerage and sewage treatment.

It is common knowledge that there is a need to promote agriculture marketing infrastructure projects for reducing the involvement of intermediaries and minimizing post-harvest losses. Such a robust infrastructure will ensure better remuneration to farmers and supply of better quality products to consumers and processing industries.

In the Financial Year 2022-23 based on a low base numbers, the construction equipment sector recorded a growth of around 15 per cent. If exports of equipment are taken into account, the growth comes to around 20 per cent. In 2023-24, the Government is targeting around 10 per cent growth. One major concern is fluctuations in the growth factor which depends on several domestic and overseas economic aspects. The growth of the construction equipment manufacturing industry is linked to the demand drivers like road construction, irrigation, housing, hotels, resorts, urban development, airports and mining. All these are among the high priority areas of the Central Government. FDI allowed in the construction development projects should add value to the construction equipment sector's growth.

India is becoming an economic powerhouse on the international stage. In around a decade, it is projected to become the third-largest economy in the world. In addition to boosting the efficiency and productivity of the manufacturing sector, the development of rural and urban infrastructure contributes significantly to the eradication of poverty. Investing in the development of high-quality infrastructure is essential to achieving these objectives. This year, the government has provided a tremendous incentive for the development of both traditional physical infrastructure and modern digital infrastructure.

## RESOURCES

During the year under review, your Company has not mobilised any additional resources through non-convertible debentures ('NCDs'), External Commercial Borrowings, Masala Bonds, Subordinate Debt, Perpetual Debt (PDI), Bank Borrowings etc.

As regards to NCDs issued earlier, PDI amounting to ₹ 320 Crores (Rupees Three Hundred and Twenty Crores only) are unlisted and PDI amounting to ₹ 10 Crores (Rupees Ten Crores only) are listed on the Stock Exchanges. Your Company was admitted under the CIRP on October 8, 2021 and under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest are accrued and payable after this date.

Further, upon commencement of the CIRP of your Company, interim moratorium / moratorium under Section 14 of the Code was imposed with effect from October 8, 2021. As intimated earlier Hon'ble NCLT has approved the resolution plan of the Company and implementation of the Plan is under process. In accordance with law, all creditors shall be paid as per the Approved Resolution Plan.

Brickwork Ratings India Pvt. Ltd. has reaffirmed the rating assigned to Perpetual Debt Instrument (PDI) of your Company to "BWR D Reaffirmed Issuer not cooperating#" on June 13, 2022.

## RISK MANAGEMENT

The risk policies and procedures of your Company are derived from the guidance and relevant directives provided from time to time by the Reserve Bank of India (RBI) applicable for designated classifications of Non-Banking Finance Companies (NBFCs) that your Company is included in and other regulatory authorities and continuously bench marked with industries best practices.

Your Company's risk management strategies are well defined to identify, measure and mitigate various risks associated with the operating business module, adherence assessment procedures followed with continuous monitoring.

Risk management continues to be an important area of your Company's operations especially in an environment which is characterized by increasing uncertainties like pandemic, changes in operational procedures owing to market alignment, etc.

The risk strategy of your Company is overseen by the Risk Committee under the direct supervision of the RBI appointed Administrator & Advisory 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 Risk Committee in consultation with other committees viz. Credit & Investment Committee (CIC) and the Asset Liability Management Committee (ALMC), constitute the governing framework for various types of risk and business activities undertaken within this policy framework.

Your Company is striving to manage its risks in a proactive manner and has adopted structured and disciplined approach to risk management by developing and implementing risk management framework. With a view to manage its risk effectively, your Company has put in place policies for various aspects of Risk Management i.e. Credit Risk Management, Independent Information Security Management System, Market Risk and Liquidity Risk management policies.

In addition, to managing 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.

In order to stay ahead in the IT curve, an IT Disaster Recovery (DR) Plan has been formalized which is expected to support the management of critical operations in future as well. Your Company has successfully conducted an IT DR Drill. Your Company's servers are entirely hosted on AWS (Amazon Web Services) Cloud Data Centers in Asia Pacific (Mumbai) Region. As part of the implemented policies, automated AMI (Amazon Machine Image) backups are performed daily, weekly and monthly for all application and database servers. All these backups are stored on Amazon S3 (Simple Storage Service) which guarantees 99.999999999% durability and 99.99% availability by redundantly storing objects on multiple devices across multiple Availability Zones in Mumbai region.

## HUMAN RESOURCES ACTIVITIES

The pandemic induced disruptions continued in Financial Year 2022-23 as well. The first half of Financial Year 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 SIFL'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.

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 review period by all teams.

A key point was the increased focus on building in-house capabilities through learning process in order to develop employees to adapt to the new model and new focus that had been introduced for developing new area of business and increasing effectiveness and efficiency in on-going operations.

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.

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 complete 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.

## **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 control side, your Company has a proper reporting structure, oversight Committees and rigorous performance appraisal system to ensure checks and balances. On the financial control side, your Company has in place segregation of duties and reporting mechanism to deter and detect misstatements in financial reporting.

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

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

Your Company has a dedicated and independent Internal Audit Department which is accountable to the 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.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company has in place a Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 which, inter-alia lays down the guidelines and mechanisms for undertaking socially useful projects for welfare and sustainable development of the Community at large. The said policy is available at the website of the Company at [https://www.srei.com/sifl\\_corporate\\_policies/Corporate\\_Social\\_Responsibility\\_CSR\\_Policy.pdf](https://www.srei.com/sifl_corporate_policies/Corporate_Social_Responsibility_CSR_Policy.pdf).

During the Financial Year 2020-21, your Company had sanctioned contribution of ₹ 78,15,000/- (Rupees Seventy Eight Lacs and Fifteen Thousand only) for disbursement to various entities. However, as on March 31, 2021, your Company could disburse an amount of ₹ 24,95,000/- (Rupees Twenty Four Lacs and Ninety Five Thousand only), being 0.66 per cent of the average net profits of last 3 (three) immediate financial years preceding financial year 2020-21, towards CSR activities pursuant to CSR Policy of your Company. The balance sanctioned amount of ₹ 53,20,000/- (Rupees Fifty Three Lacs and Twenty Thousand only) could not be disbursed till March 31, 2021 due to the establishment of Trust and Retention Account (TRA) whereby all the business payments of your Company were being controlled by the Bankers and your Company has no control on the cash flows. Several requests were made to the Bankers to disburse the aforesaid amount as committed to the concerned entities. However, the Bankers have not disbursed the entire sanctioned amount. Thereafter, the Corporate Insolvency Resolution Process (CIRP) of your Company commenced from October 8, 2021 pursuant to which your Company was further unable to disburse the balance sanctioned amount of ₹ 53,20,000/- (Rupees Fifty Three Lacs and Twenty Thousand only). Furthermore, due to the ongoing CIRP, your Company did not sanction any further contribution towards CSR activities. Your Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

Considering the special circumstances that the Company is in CIRP, your Company had sought an exemption from the MCA through its various representations with respect to the obligations under the provisions of Section 135 of the Companies Act, 2013.

Prior to the supersession, the Corporate Social Responsibility (CSR) Committee of your Company had been constituted in line with the provisions of Section 135 of the Companies Act, 2013 ("the Act").

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.

#### SREI 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. The customers can also download essential documents directly from the website.

#### SUBSIDIARY COMPANIES

The Statement in Form AOC-1 containing the salient features of the financial statement of your Company's subsidiaries pursuant to first proviso to Section 129(3) of the Companies Act, 2013 (Act) read with Rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report. Further, in line with Section 129(3) of the Act read with the aforesaid Rules, SEBI Listing Regulations, 2015 and in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS Rules) read with Schedule III to the Companies Act, 2013, Consolidated Financial Statements prepared by your Company includes the financial information of its subsidiary companies.

A Report on the performance and financial position of each of the subsidiaries included in the Consolidated Financial Statements prepared by your Company as per Rule 8(1) of the Companies (Accounts) Rules, 2014, forms part of the annual accounts of each of the subsidiary companies and also forms part of Form AOC-1. The said Report is not repeated here for the sake of brevity. Members interested in obtaining a copy of the annual accounts of the subsidiaries may write to the Company Secretary at the email id investor.relations@srei.com.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of your Company and audited accounts of each of its subsidiaries, are available on your Company's website www.srei.com.

Highlights of the performance of subsidiaries and their contribution to the overall performance of your Company during the period under report are given below :

Name of the Subsidiary / Associate	Turnover / Total Income for the Financial Year ended 31.03.2023 (₹ in Lacs)	Profit After Tax (PAT) for the Financial Year ended 31.03.2023 (₹ in Lacs)	% Contribution on Turnover / Total Income for the Financial Year ended 31.03.2023	% Contribution on PAT for the Financial Year ended 31.03.2023
Srei Capital Markets Limited	28.93	(34.47)	0.02	0.00
Trinity Alternative Investment Managers Limited (TAIML)	*	*	N.A.	N.A.
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of TAIML)	*	*	N.A.	N.A.
Cyberabad Trustee Company Private Limited (Subsidiary of TAIML)	*	*	N.A.	N.A.
Srei Asset Leasing Limited	5.57	3.61	0.00	(0.00)
Bengal Srei Infrastructure Development Limited	2.91	1.42	0.00	(0.00)
Controlla Electrotech Private Limited	316.41	14.92	0.20	(0.00)
Srei Mutual Fund Trust Private Limited	-	(0.98)	-	0.00
Srei Mutual Fund Asset Management Private Limited	1.65	(1224.42)	0.00	0.11
Srei Insurance Broking Private Limited	184.98	140.65	0.54	(0.01)
Srei Equipment Finance Limited (SEFL)	1,55,757	(11,21,928)	99.66	100.99

\*The Company has not received the Board approved Financial Statements from Trinity Alternative Investment Managers Limited (TAIML) and its two step down subsidiaries viz., Hyderabad Information Technology Ventures Enterprises Limited and Cyberabad Trustee Company Private Limited for the Financial Year ended March 31, 2023 and accordingly the Financial Statement of these three Companies has not been considered for consolidation as on March 31, 2023.

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

There is no material change and commitment affecting the financial position of your Company other than those mentioned in this Annual Report, which have occurred between the Financial Year ended March 31, 2023 and the date of this report.

**POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES**

As on March 31, 2023, Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company is a listed 'material' subsidiary of your Company with its, debt securities being listed on the Stock Exchanges in India. However, your Company does not have any material unlisted subsidiary. Your Company has formulated a Policy for determining material subsidiaries in accordance with SEBI Listing Regulations, 2015.

The said Policy is available on your Company's website at [https://www.srei.com/sifl-corporate-policies/Policy\\_on\\_determining\\_Material\\_Subsiidiaries.pdf](https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsiidiaries.pdf).

**KEY MANAGERIAL PERSONNEL (KMPs)**

The following executives of your Company are whole-time Key Managerial Personnel (KMPs) in accordance with the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013 as on March 31, 2023 :

Name	Designation
Mr. Manoj Kumar	Company Secretary & Chief Financial Officer
Mr. Vishnu Gopal Agarwal (Additional KMP)	Financial Controller and Chief Compliance Officer

Mr. Manoj Kumar was appointed as the Company Secretary w.e.f. April 1, 2021 and was later appointed as the Chief Financial Officer (CFO) of the Company w.e.f. December 8, 2021.

Further, Mr. Souren Mukhopadhyay, ceased to hold office as a Key Managerial Personnel (KMP) w.e.f. July 18, 2022.

**NOMINATION AND REMUNERATION COMMITTEE**

Prior to the supersession of the Board of Directors, your Company had a duly constituted Nomination and Remuneration Committee in line with the provisions of Section 178 of the Companies Act, 2013. The Committee had formulated the Nomination and Remuneration Policy, which broadly lays down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability, and covers the procedure for selection, appointment and compensation structure of the Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The link of the policy is [https://www.srei.com/sifl-corporate-policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf).

However, an internal committee of the Nomination and Remuneration Committee was formed so that the matters relating to the Nomination and Remuneration Committee can be deliberated and decided. The Committee was re-constituted and the following members were inducted in the Committee : Mr. Rajneesh Sharma (Administrator), Mr. Souren Mukhopadhyay (Deputy Chief Executive Officer), Mr. Jaidip Chatterjee (Head – Human Resources) and Mr. Manoj Kumar (Company Secretary and CFO). Mr. Arunabha Acharya acts as the Secretary of the Committee. The committee was further re-constituted on June 29, 2022 due to the resignation of Mr. Sourendranath Mukhopadhyay, as a member of the Committee. The Committee was further re-constituted on October 15, 2022 due to the induction of Ms. Romita Singh as (Non-Member) Secretary of the Committee and cessation of Mr. Arunabha Acharya as the (Non-Member) Secretary of the Committee.

**NOMINATION AND REMUNERATION POLICY & PERFORMANCE EVALUATION**

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

The Nomination and Remuneration Policy of your Company, has been formulated as per the provisions of Section 178 of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said policy is available on the website of your Company at [https://www.srei.com/sifl-corporate-policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf).

Post supersession of the Board of Directors of your Company by the RBI on October 04, 2021 as noted above, the requirement of separate meeting of the Independent Directors and the evaluation of performance of Directors, Board or the Committees thereof was not applicable.

The said policy is available on the website of your Company at [https://www.srei.com/sifl-corporate-policies/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf).

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

**WHISTLE BLOWER POLICY (VIGIL MECHANISM)**

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 Regulation 22 of SEBI Listing Regulations, 2015, 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. 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 was last revised on 9th November, 2020 and is available on your Company's website at [https://www.srei.com/sifl-corporate-policies/Whistle\\_Blower\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf).

A Whistle blower committee is in place that reviews all matters and guides the management to implement the relevant guidelines in true spirit and keep a vigil.

Further, no complaints were reported under the Vigil Mechanism during the year.

**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 endeavour 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 Complaints Committee constituted for this purpose. The said Policy is available on your Company's website at [https://www.srei.com/sifl-corporate-policies/Policy\\_on\\_Prevention\\_of\\_Sexual\\_Harassment.pdf](https://www.srei.com/sifl-corporate-policies/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 the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Your Company is exempted from the applicability of the provisions of Section 186 of the Companies Act, 2013 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 as your Company is engaged in the business of financing of companies or of providing infrastructural facilities.

Details of the investments made by your Company are given in Note No. 47 in the Notes to accounts forming part of the audited (standalone) financial statements for the Financial Year ended March 31, 2023.

#### **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of your Company is available at <https://www.srei.com/srei-annual-return>.

#### **PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES**

All the related party transactions of your Company are entered in the ordinary course of business and are on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. 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. Your Company has not entered into any material related party transactions with any of its related parties during the Financial Year 2022-23. Members may refer to the notes to the financial statements for details of related party transactions.

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. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialisation and your Company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries

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

The details of the related party transactions entered into by your Company in the ordinary course of business at arm's length basis for the financial year ended March 31, 2023 are mentioned in the notes to the accounts forming part of the audited (standalone) financial statements.

#### **PARTICULARS OF EMPLOYEES**

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.

However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of your Company excluding the said statement. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of your 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 Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavour to improve energy conservation and utilisation, safety and environment.

During the year under review, the total foreign exchange earnings and expenditure of your Company was ₹ Nil and ₹ Nil, respectively (previous year Nil and ₹ 598.57 Lacs, respectively).

#### **CREDIT RATINGS**

Credit rating agencies have taken cognizance of various factors, mainly continuing delays in debt servicing, significant losses incurred, cash flow mismatch and erosion of net worth of the Company etc. and hence Brickwork Ratings India Pvt. Ltd. has reaffirmed the rating assigned to Perpetual Debt Instrument (PDI) of your Company to "BWR D Reaffirmed Issuer not cooperating#" on June 13, 2022.

#### **DETAILS OF TRANSFER OF UNCLAIMED AMOUNTS AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

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 the Investor Education Protection Fund ("IEPF"). However, pursuant to the Order dated October 8, 2021 passed by the Hon'ble NCLT, Kolkata, CIRP has been initiated for your Company and the moratorium has commenced under Section 14 of the Code read with Rule 5(b)(i) of FSP Rules effective from October 8, 2021. The Company needs to comply with the General Circular No. 08/ 2020 issued by the Ministry of Corporate Affairs (MCA) dated March 6, 2020 captioned "Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency and Bankruptcy Code, 2016 (IBC, 2016)" which states that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form MGT-7) and Financial Statement (e-form AOC- 4) and other documents under the provisions of the Act, in accordance with directions issued by the NCLT/ NCLAT / Courts, shall be filed as attachments with e-form GNL-2 against the payment of one time normal fee only, till such time the Company remains under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/ RP. The Company has made the filings of the eforms IEPF-1, IEPF-2 and IEPF-4, as an attachment of eform GNL-2. However, since the GNL -2 form is not linked with IEPF -1, the Company is unable to generate



SRN for payment to IEPF authorities. Due to said technical difficulty the Company is unable to transfer the unpaid and unclaimed dividend amount pertaining to the Financial Year 2014-15, under the provisions of Section 125 & other applicable provisions of the Act. The Company has approached the Registrar of Companies and IEPF for their guidance. Response from the said authorities are awaited.

#### AUDIT COMMITTEE

Prior to the supersession of the Board of Directors of your Company by the RBI on October 4, 2021, the Audit Committee of your Company had been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015.

Post the supersession of the Board all the mandatory committees' stands dissolved.

#### AUDITORS

At the 35th AGM held on September 19, 2020, D. K. Chhajer & Co., Chartered Accountants, having Firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of your Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 35th AGM till the conclusion of the 40th AGM of your Company. The Statutory Auditors hold a valid peer review certificate as prescribed under Regulation 33(1)(d) of SEBI Listing Regulations, 2015. However, as per the RBI Notification ref no. RBI/2021-22/25 DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 on Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("Notification") issued by the Reserve Bank of India ("RBI") states that the Statutory Auditors of a NBFC need to be appointed for a continuous period of three years subject to the firms satisfying the eligibility norms each year. Hence, the current Statutory Auditors D. K. Chhajer & Co., Chartered Accountants, having Firm Registration No. 304138E shall cease to hold office with the conclusion of the ensuing AGM and S.K. Agarwal and Co., Chartered Accountants LLP, having firm Registration No. 306033E/E300272 allotted by The Institute of Chartered Accountants of India (ICAI) is being recommended for appointment as the Statutory Auditors of your Company from the conclusion of 38th AGM till the conclusion of 39th AGM.

Members are requested to consider their appointment as Statutory Auditors of your Company to hold office from the conclusion of 38th AGM until the conclusion of 39th AGM of the Company by way of passing of an ordinary resolution.

S.K. Agarwal and Co., Chartered Accountants LLP have confirmed their eligibility, qualifications and other requirements of the Auditors as specified in the Companies Act, 2013 and a certificate to this effect has also been furnished by them along with their consent to hold office as the Statutory Auditors of your Company. Your Company has received a confirmation from S.K. Agarwal and Co., Chartered Accountants LLP to the effect that their appointment as the Statutory Auditors of your Company, if made, would be within the limit prescribed under Section 141 of the Companies Act, 2013 and further that they are not disqualified to be appointed as the Statutory Auditors in terms of Sections 139 and 141 of the Act. The proposed Statutory Auditors hold a valid peer review certificate as prescribed under Regulation 33(1)(d) of SEBI Listing Regulations, 2015.

#### AUDITORS REPORT

The Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held on May 16, 2023 have inter-alia, considered and taken on record the Ind AS Audited Financial Results (Standalone & Consolidated) of your Company for Financial Year ended March 31, 2023, as per Regulation 33 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, the same is not repeated here for the sake of brevity.

#### SECRETARIAL AUDIT REPORT

Your Company appointed Mr. Sachin Kumar, a Practicing Company Secretary having Membership No. A37957, Certificate of Practice (COP) No. 14154, as the Secretarial Auditor of your Company for 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 as far as practically possible during the CIRP period complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules made thereunder, the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by the Institute of Company Secretaries of India (Secretarial Standards with respect to General Meetings (SS-2) and , all the Regulations of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, 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 in Form MR-3 is annexed to this report.

#### CORPORATE POLICIES

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

#### CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015, a separate section on Corporate Governance and a Certificate from a Practicing Company Secretary confirming compliance with the requirements of Corporate Governance, forms part of this Annual Report. The Corporate Governance Certificate (CGC) contains certain observations, qualifications and remarks. The responses to all the aforesaid observations, qualifications and remarks are given herein below:

The Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except given below:

- a) **As per Regulation 17(8) of SEBI LODR Regulations, 2015, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) shall provide the compliance certificate to the Board of Directors as specified in Part B of Schedule II in LODR Regulations, 2015, whereas the same has been provided by the RBI appointed Administrator.**

- b) As per Para D of Schedule V a declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management, whereas the same has been provided by the RBI appointed Administrator.**

## DIRECTORS

As mentioned earlier in this Report, Mr. Rajneesh Sharma was appointed as the Administrator of your Company since October 4, 2021 and the management of your Company vests in him. He is assisted by a three-member Advisory Committee to discharge his duties and its current Members are Shri Venkat Nageswar Chalasani, Former Deputy Managing Director, State Bank of India, Shri TT Srinivasaraghavan, Former Managing Director, Sundaram Finance Limited and Shri V Ramachandra, Former Chief General Manager, Canara Bank.

Accordingly, the disclosures pertaining to the Board of Directors, Board Meetings, relationship between Directors inter-se, shares and Convertible Instruments held by Non-Executive Directors, separate meeting of Independent Directors, familiarization programme for Independent Directors, Board qualifications and attributes and other disclosures pertaining to the Board of Directors were not applicable to your Company as on March 31, 2023.

## MEETINGS OF THE BOARD & BOARD COMMITTEES

As stated earlier in this Report, RBI on October 4, 2021 had superseded the Board of Directors of your Company and initiated CIRP process vide order of the Hon'ble NCLT dated October 8, 2021. In view of the same, the Company also did not have any Board Meeting or Board Committee during year under review.

## ADVISORY COMMITTEE AND IMPLEMENTATION AND MONITORING COMMITTEE

RBI vide its Press Release dated October 4, 2021, in exercise of the powers conferred under Section 45 IE of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP).

The Administrator is the Chairman of the meetings and the minimum quorum is Chairman and at least two advisors. Further even after initiation of CIRP of your Company vide NCLT order dated October 8, 2021, the Advisory 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 advises the Administrator on the operations of your Company during the CIRP.

Further as stated earlier that in accordance to the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution. Since the Administrator also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the Administrator in fulfilment of his role and responsibilities.

Furthermore, Hon'ble NCLT vide its Order dated August 11, 2023 approved the Resolution Plan submitted by NARCL, accordingly, Implementation and Monitoring Committee was constituted for smooth implementation of Approved Resolution Plan.

## SIGNIFICANT AND MATERIAL EVENTS AND ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

- i. Subsequent to the supersession of the Board of Directors of your Company by RBI vide its Press Release dated October 4, 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 Adjudication 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. 295/KB/2021, the Hon'ble NCLT vide order dated October 8, 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 SIFL 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 and Liquidation Proceedings of Financial Service Providers and Application to Adjudication of Authority) Rules, 2019 against the Plan.

Thereafter, 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\\_Challenge\\_004\\_1691756009157129507964d625e9e66a0.pdf](https://nclt.gov.in/gen_pdf.php?filepath=/Efile_Document/ncltdoc/casedoc/1908134009832023/04/Order-Challenge/04_order_Challenge_004_1691756009157129507964d625e9e66a0.pdf).

- ii. Your Company received a letter dated November 15, 2021 from the Securities and Exchange Board of India (SEBI) being a Show Cause Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 alleging that your Company failed to disclose material information to the Exchange(s) as per the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of SEBI Circular dated September 9, 2015, with respect to an interim order passed by National Company Law Appellate Tribunal (NCLAT), in response to the appeal filed by CARE Ratings Limited, a rating agency before the Appellate Authority against the order passed by NCLT, restraining the credit rating agencies from treating the non-payment of interest / principal by your Company as a default. Your Company appeared before the Adjudicating Officer (AO) of SEBI and the AO after taking into consideration the facts and circumstances of the case, imposed a penalty of ₹ 2,00,000/- (Rupees Two Lacs) on your Company. However the order is subject to the outcome of the appeal filed by SEBI before the Hon'ble Supreme Court in the matter of 'Dewan Housing Finance Corporation Ltd. v. Securities and Exchange Board of India'.

Vide Adjudication Order dated October 31, 2022 ('Order'), SEBI in the matter of Religare Enterprises Limited had imposed a penalty of ₹ 35,00,000/- on the Company payable within 45 days from the date of receipt of the Order.

However, vide its Corrigendum to Order dated November 30, 2022, SEBI has clarified that the said period of 45 days shall not be applicable in respect of SIFL and SEFL due to the CIRP proceedings pending against it. The said penalty is payable subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Dewan Housing Finance

Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020).

III. The Enforcement Directorate (ED) on January 31, 2023 conducted simultaneous investigation on office premises of the Company and its subsidiary, Srei Equipment Finance Ltd. The Company and its officials have co-operated and provided the required informations / documents as available.

IV. Receipt of Notice for Inspection U/S 206 of the Companies Act, 2013

The Company is in receipt of a Notice of MCA inspection u/s 206 of the Companies Act, 2013 and the Companies Act, 2013 vide letter Ref no File No. 1/60/2018/CL-II (ER) dated April 18, 2023.

The Company has submitted its reply.

V. The Company has received a letter dated June 15, 2023, from Serious Fraud Investigation officer (SFIO) wrt., investigation into the affairs of Gujarat NRE Coke Limited u/s 212 of the Companies Act, 2013 calling information u/s 217(2).

The Company has submitted its reply.

#### **INSTANCES OF FRAUD DETECTED IN THE MATERIALLY WHOLLY OWNED SUBSIDIARY COMPANY**

The Administrator had appointed BDO India LLP (BDO/Transaction Auditor) to review transactions of the Company and its wholly owned subsidiary, qualified under Sections 43 to 51, and Sections 65 and 66 of the Code. Accordingly, the Administrator of the Company received a report from the Transaction Auditor, indicating that there are certain transactions which are allegedly fraudulent in nature as per Section 66 of the Code.

On the basis of the findings and observations of the Transaction Auditor necessary reports and intimation with the Reserve Bank of India and the Stock Exchanges were filed. Accordingly, applications have also been filed before the Hon'ble National Company Law Tribunal, Kolkata Bench in respect of the alleged fraud.

#### **Re-statement of accounts of subsidiary**

SIFL has not received Board approved financial results of 01 subsidiary, viz. Trinity Alternative Investment Managers Limited and 02 subsidiaries of Trinity (step down subsidiaries of SIFL), viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited for the quarters ended June 30, 2022, September 30, 2022, December 31, 2022, March 31, 2023 and year ended March 31, 2023 despite written request and follow ups and accordingly, the financial statements of these companies have not been considered for consolidation as on March 31, 2023. Accordingly, the consolidated financial statements for the year ended March 31, 2023 are not comparable with the consolidated financial statements for the year ended March 31, 2022. We are unable to comment on the possible impact of the same on the consolidated financial statements for the year ended March 31, 2023 or any other consequences arising out of such non-compliance on the Consolidated Financial Statements.

The audited consolidated financial statements of the Group for the year ended March 31, 2022 unaudited financial statements of 1 subsidiary, viz. Trinity and two subsidiaries of Trinity (step down subsidiaries of SIFL), viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited since the report and audited accounts were not received within the annual account approval date of SIFL. The management of these subsidiaries had not provided audited financial statements of these aforesaid companies despite many reminders and accordingly, the financial statements of these subsidiaries were considered for consolidation based on the approved and certified financial statements provided by the management of the respective companies. Subsequently, on receipt of the Audited Financial Statements dated May 20, 2022 on June 4, 2022, material mismatch was observed between the

Audited Financial Statements and the Financial Statements that were considered for consolidation. At the time of preparation of financial results for the quarter ended June 30, 2022, these discrepancies / mismatches were rectified retrospectively in accordance with the guidelines of Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

#### **BOARD'S 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 4, 2021 and subsequently, powers conferred upon him in accordance with the order of the Hon'ble NCLT dated October 8, 2021 to run your Company as a going concern during CIRP. The financial statements for the year ended March 31, 2023 have been prepared on "going concern" assumptions.

The Administrator and present KMPs have signed the financial statements solely for the purpose of compliance and discharging their duties during CIRP period of your Company and in accordance with the provisions of the Code read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statement made by the existing staff of your Company in relation to the data pertaining to the period prior to the joining of the present management and do not have knowledge of the past affairs, finances and operations of your Company.

#### **GENERAL DISCLOSURES**

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

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

#### **ACKNOWLEDGEMENT**

Your Administrator would like to express his grateful appreciation for the excellent support and co-operation received from the Financial Institutions, Banks, Central & State Government Authorities, RBI, SEBI, MCA, Stock Exchanges, Depositories, Credit Rating Agencies, Customers, Vendors, Suppliers, Business Associates, Members, Debenture holders, Debenture Trustees and other Stakeholders during the year under review.

Your Administrator also place on record his deep appreciation for the valuable contribution of the employees for the progress of your Company and look forward to their continued co-operation in realisation of the corporate goals in the years ahead.

**On behalf of Srei Infrastructure Finance Limited**

**Rajneesh Sharma  
(Administrator)**

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

**Place : Kolkata**

**Date : September 6, 2023**

**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 Infrastructure Finance Limited**  
**Vishwakarma Building,**  
**86C, Topsia Road (South),**  
**Kolkata - 700046**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Srei Infrastructure Finance Limited** (hereinafter called 'the Company') having (CIN : L29219WB1985PLC055352). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

- 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.
- I 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 I have relied to a certain extent on the information furnished in such returns.
- As the Company is presently under Corporate Insolvency Resolution Process (CIRP), the management representation in matters is required for the purpose of our Audit. As such, the Audit disclaims opinion on any aspect which could otherwise have been made depending on management representation, including but not limited to recording, disclosing and dissemination of information; record-keeping and preservation; conduct of meetings, identification of related parties and related party transactions; and other compliance systems and procedures in general, as may be required under applicable laws.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
- 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.
- 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of :

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**The Company did not have any Foreign Direct Investment during the financial year**);

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2021;
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Depository Participant) Regulations, 2018;
- The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2021;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, we further report that the Company has complied with the Reserve Bank of India Act, 1934 and guidelines, directions and instructions issued by RBI through notification and circulars relating to Non-Banking Financial Institution Laws applicable specifically to the Company.

Srei Infrastructure Finance Limited (the Company / SIFL), is a Listed Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is an equity and debt listed Company, listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company is Registered as Non- Banking Financial Company (NBFC) under Section 45-IA of Reserve Bank of India Act, 1934 (RBI).

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

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.

Secretarial Standard - I - Meetings of the Board of Directors - On 4th October, 2021, (Press Release: 2021-2022/981) in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, the Reserve Bank superseded the Board of Directors of SIFL. So, the company is not in the position to comply with the same.

Secretarial Standard - II - General Meetings - The Company has complied with the provision of General Meeting as per Secretarial Standard II.

(ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to matters as provided below :

1. Pursuant to Section 135(5) of the Companies Act, 2013, SIFL has not transferred the unspent amount of ₹ 53,20,000/- 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 in spite of repeated request the amount was not paid. The company has sent necessary intimation in this regard to the Ministry of Corporate Affairs (MCA) vide its letter dated 2nd December, 2021 requesting MCA to consider granting an exemption to the Company from the obligations under the provisions of Sections 135(5) and 135(7) of the Companies Act, 2013 and any Other applicable provisions in this regard for the Financial Year Ended 31st March, 2022. As informed by company, Ministry of Corporate Affairs has not given any reply in this matter till the date of report. The CIRP against the Company has been initiated by the Order of Hon'ble NCLT, Kolkata Bench dated 08th October, 2021. Underlying pendency of the matter, we are unable to Comment on the same.
2. During the period under review, the Company received notice for Inspection u/s 206(5) of The Companies Act, 2013 vide Letter Ref. No. File No. 1/60/2018/CL-II (ER) dated 18<sup>th</sup> April, 2023. The Company has sought extension vide its letter dated 04<sup>th</sup> May, 2023 to MCA till 12<sup>th</sup> May, 2023. Further the Company has submitted all the required documents on 15<sup>th</sup> May, 2023.
3. During the period under review, the Company Post Administrative period has filed the annual compliance forms through Form GNL-2.
4. We are unable to comment on minutes of Committee of Creditors, Advisory Committee & Joint Lenders, as the same was not shared to us by the Company.
5. The Board of the Company has been superseded by the Reserve Bank of India in context to the same all the existing mandatory committees have ceased to exist.
6. As per the information received from the Company, the company is maintaining the Books and Papers at Corporate Office situated at Y-10, Block EP, Sector V, Salt Lake City, Kolkata - 700 091, West Bengal, and necessary compliance in this regard has been done.

#### I. Under National Company Law Tribunal :

The Outcome of the meeting of the Consolidated Committee of Creditors (CoC) took on record the result of e-voting on Resolutions pursuant to the thirty third (33rd) meeting of the Consolidated Committee of Creditors that was concluded on 14th February 2023 at 11:30 PM IST and the resolution plan submitted by National Asset Reconstruction Company Limited was duly approved by CoC by majority voting under Section 30(4) of the Insolvency & Bankruptcy Code read with Reg. 39(3) of CIRP Regulations, as the successful resolution plan.

#### II. Reserve Bank of India :

The Administrator of Srei Infrastructure Finance Limited (SIFL) & Srei Equipment Finance Limited (SEFL) is in receipt of "No objection" vide letter

dated 23rd March, 2023 from Reserve Bank of India (appropriate regulator) in accordance with Rule 5(d) of Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

#### I report that :

Pursuant to an application filed by the Reserve Bank of India, The Hon'ble National Company Law Tribunal, Kolkata bench, vide its order dated 8<sup>th</sup> October, 2021 has ordered the commencement of the Corporate Insolvency Resolution Process (CIRP) in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Shri Rajneesh Sharma was appointed as an Administrator to manage affairs of the Company in accordance with the provisions of the Code.

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

#### I further report that :

- a) We rely on Statutory Auditors' Report in relation to the financial statements, quarterly financial Reports, qualifications and their remarks and accuracy of financial figures under Income Tax Act, Sales Tax, Value Added Tax (VAT), GST, Related Party Transactions, Provident Fund, ESIC, PMLA Act, FEMA, and other applicable laws. Further, the Statutory Auditors of the Company has reported Disclaimers of conclusions in their Limited Review Report submitted during the Financial Year 2022-23 and Disclaimers of opinion in their Audit Report for the Financial Year 2022-23.
- b) In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, Company undergoing the corporate insolvency resolution process is not required to comply with relevant Regulations of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 with respect to Board of Directors including that of Independent Director, Constitution, Meetings and terms of reference of the Audit Committee, Constitution, Meetings and terms of reference of the Nomination and Remuneration Committee and Constitution, Meetings and terms of reference of the Stakeholders' Relationship Committee.
- c) I further report that there are adequate systems and processes in the company are commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- d) We report that there are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to made by Statutory Auditors in their report.
- e) I further report that during the Audit Period, the Company has not incurred any specific event / action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard etc.

**Sachin Kumar**  
**Practicing Company Secretary**  
**Membership No.37957**  
**COP No. : 14154**  
**UDIN-A037957E000332933**  
**PEER REVIEW NO - 2766/2022**

Place : Kolkata  
 Date : 18/05/2023

**Annexure – 1**

**To,  
The Members,  
SREI Infrastructure Finance Limited  
Vishwakarma Building,  
86C, Topsia Road (South),  
Kolkata - 700046**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I 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 basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test check basis.
5. I believe that the audit evidence and information obtained from the Company's management is adequate and appropriate for me.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Sachin Kumar  
Practicing Company Secretary  
Membership No.37957  
COP No. : 14154  
UDIN-A037957E000332933  
PEER REVIEW NO - 2766/2022**

**Place : Kolkata  
Date : 18/05/2023**

# Annual Report on Corporate Social Responsibility (CSR) Activities for Financial Year 2022-2023

## 1. A brief outline of the Company's CSR Policy

During the year under review, the 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, CSR Reporting mechanism, aligned with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013.

The said policy is placed on the Company's website and the web link for the same is : [https://www.srei.com/pdf/Corporate\\_Social\\_Responsibility\\_CSR\\_Policy.pdf](https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf)

## 2. Composition of CSR Committee

Reserve Bank of India ("RBI") vide Press Release dated October 04, 2021 superseded the Board of Directors of the Company and appointed Mr. Rajneesh Sharma as the Administrator of the Company in terms of Section 45-IE of the Reserve Bank of India Act, 1934 (RBI Act) with immediate effect. The Administrator was also vested with powers of the Board of Directors of the Company, pursuant to the above and as

per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC Code / the Code).

Since your Company is undergoing CIRP under the IBC Code the role of the Board and Committees is being fulfilled by the Administrator by the support of Advisory Committee. The composition of CSR Committee prior to the supersession of the Board of Directors of the Company was in line with the provisions of the Companies Act, 2013.

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company :

[https://www.srei.com/sifl\\_corporate-policies/Corporate\\_Social\\_Responsibility\\_CSR\\_Policy.pdf](https://www.srei.com/sifl_corporate-policies/Corporate_Social_Responsibility_CSR_Policy.pdf)

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

Not Applicable

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sr. No.	Financial Year	Amount available for set-off from preceding Financial years (₹ Crore)	Amount required to be set-off for the financial year, if any (₹ Crore)
1.	2022-23	NIL	NIL
<b>TOTAL</b>		<b>NIL</b>	<b>NIL</b>

## 6. Average net profit of the Company as per Section 135(5)

₹ (10,527,536,507)

7. Sr. No.	Particulars	(₹)
7(a)	Two percent of average net profit of the Company as per Section 135(5)	NIL
7(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
7(c)	Amount required to be set off for the financial year, if any	NIL
7(d)	Total CSR obligation for the financial year (7a + 7b - 7c)	NIL

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (₹ In Crore)				
	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	NIL	NA	NA	NIL	NA

## (b) Details of CSR amount (in ₹) spent against ongoing projects for the financial year :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR account for the project as per Section 135(6)	Mode of implementation Direct (Yes/No)	Mode of Implementation through implementing Agency Name CSR expenditure amount
NIL										

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District			Name	CSR registration number
NIL									

(d) Amount spent in Administrative Overheads - Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Nil

(g) Excess amount for set off, if any – Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years :

(₹ in Crores)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1.	2019-20	Nil	1.58	NA	Nil	NA	Nil
2.	2020-21	Nil	0.24	NA	Nil	NA	0.53
3.	2021-22	Nil	NIL	NA	Nil	NA	NIL
<b>TOTAL</b>			<b>1.82</b>				<b>0.53</b>

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount Spent at the end of reporting Financial Year (in ₹)	Status of the project Completed/ Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Nil

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

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 spent ₹ 2.77 Crores as CSR expenditure in the Financial Year 2018-19, whereas its CSR obligation was only ₹ 2.74 Crores. In 2019-20, your Company spent ₹ 1.58 Crores, whereas its obligation was only ₹ 1.55 Crores. Your Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of the society. Your Company could only disburse ₹ 24,95,000 whereas the sanctioned budget for CSR was ₹ 78,11,468/- due to the establishment of Trust and Retention Account (TRA) whereby all the business payments of your Company are controlled by the Bankers and your Company has no control on the cash flows. In the Year 2022-23, considering the special circumstances that your Company is in CIRP and it has failed to repay the

dues to its lenders and other creditors the obligations under the provisions of Section 135 of the Companies Act, 2013 could not be fulfilled.

In the view of the abovementioned circumstances your Company had made a written representation to the Ministry of Corporate Affairs (MCA) vide its letter dated December 02,2021 and had sought an exemption under the provisions of Section 135(5) and 135(7) of the Companies Act, 2013 and any other applicable provisions in this regard for the Financial Year ended March 31,2021. The Company had requested the Ministry that following the special circumstances that the Company is in CIRP, the Company should be granted the exemption given its financial and operational situation. The Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

For and on behalf of **Srei Infrastructure Finance Limited**

**Rajneesh Sharma**  
(Administrator)

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

Place : Kolkata

Date : September 6, 2023



## CEO\* & CFO Certification

(Pursuant to Regulation 17(8) read with Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### The Corporate Governance and Audit Committee

#### Srei Infrastructure Finance Limited

'Vishwakarma'

86C, Topsia Road (South)

Kolkata – 700 046

In exercise of the powers conferred under Section 45IE (1) of the Reserve Bank of India Act, 1934 ("RBI Act") the Reserve Bank of India (RBI) had on October 4, 2021 superseded the Board of Directors of Srei Infrastructure Finance Ltd. ("SIFL"). Accordingly, Shri Rajneesh Sharma was appointed as the Administrator of SIFL pursuant to Section 45-IE (2) of the RBI Act.

We, Rajneesh Sharma, Administrator and Manoj Kumar, Company Secretary and Chief Financial Officer (CFO) of Srei Infrastructure Finance Limited, hereby certify to the Corporate Governance and Audit Committee that we have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended on 31st March, 2023 and to the best of our knowledge and belief, declare that –

1. The Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; that the Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the Financial Year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. That, the Company has established and maintains the internal controls for financial reporting which are monitored by the Internal Audit Team and has evaluated the effectiveness of its internal control systems pertaining to financial reporting based on feedbacks received from its Internal Audit Team and disclosure to the Auditors and the Corporate Governance and Audit Committee, the deficiencies, if any, in the design or operation of such internal controls and the steps taken or proposed to be taken to rectify the deficiencies in such internal control system are reported.
4. The Auditors and the Corporate Governance and Audit Committee are indicated :
  - (i) significant changes, if any, in the internal control over financial reporting during the Financial Year ;
  - (ii) significant changes, if any, in accounting policies made during the Financial Year and the same have been disclosed in the notes to the financial statements; and
  - (iii) that there have been no instances of significant fraud, of which we have become aware and consequently no involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata  
Date : 16.05.2023

**Rajneesh Sharma**  
**Administrator**

**Manoj Kumar**  
**Company Secretary and**  
**Chief Financial Officer (CFO)**

*\*In the absence of a Designated CEO, Mr. Rajneesh Sharma, the Administrator appointed vide NCLT order dated October 08, 2021, is signing this certificate.*

# Corporate Governance Compliance Certificate

To,  
The Members,  
SREI Infrastructure Finance Limited  
Vishwakarma Building  
86C, Topsia Road (South)  
Kolkata - 700046

I have examined the compliance of conditions of Corporate Governance by **SREI INFRASTRUCTURE FINANCE LIMITED** ("the Company") for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Reserve Bank of India (RBI) vide its Press Release dated October 04, 2021 and in exercise of the powers conferred under Section 45-IE (1) of the RBI Act 1934, has superseded the Board of Directors ("Board") of the Company and has appointed Shri Rajneesh Sharma as its administrator under Section 45-IE (1) of The Reserve Bank of India (RBI) Act, 1934 with immediate effect. The Reserve Bank (RBI) also constituted a three - member Advisory Committee to assist the Administrator in discharge of his duties.

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 the Company as per the provisions of the Insolvency and Bankruptcy Code, 2016. NCLT has 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 and confirmed that the Advisory Committee shall continue as the advisory committee required to be constituted under Rule 5 (c) of the IBC Rules.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except given below :

- a) As per Regulation 17(8) of SEBI LODR Regulations, 2015, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) shall provide the compliance certificate to the Board of Directors as specified in Part B of Schedule II in LODR Regulations, 2015, whereas the same has been provided by the RBI appointed Administrator and the CFO of the Company.
- b) As per Para D of Schedule V a declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management, whereas the same has been provided by the RBI appointed Administrator.

We further state that provisions as specified in Regulation 17, 18, 19, 20 and 21 of SEBI LODR is not applicable as the Company is under insolvency resolution process. However, the role and responsibilities of the Board of Directors as specified under Regulation 17 has been fulfilled by Mr. Rajneesh Sharma, the Administrator of the Company under the IBC Code with the due assistance of the Advisory Committee in accordance with Sections 17 and 23 of the Insolvency Code and the roles and responsibilities of the committees specified in the respective regulations have been fulfilled by Mr. Rajneesh Sharma, the Administrator of the Company under IBC Code with the due assistance of the Advisory Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Sachin Kumar**  
**Practicing Company Secretary**  
**Membership No.37957**  
**COP No. : 14154**  
**UDIN-A037957E000332933**  
**PEER REVIEW NO - 2766/2022**

Place : Kolkata  
Date : 18/05/2023

# Report On Corporate Governance

Good Corporate Governance is not simply a phrase but the hallmark of every global organisation that enthral 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 three decades 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 Company's equity shares are presently listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Company is in 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"). The details of compliances pursuant to the SEBI Listing Regulations, 2015 for the year ended March 31, 2023 are provided below :

## A. MANDATORY REQUIREMENTS

### 1. Company's philosophy on Code of Governance

Srei's primary objectives as well as goals are transparency, accountability and integrity. In order to enhance stakeholder's value, the Company ensures optimum utilisation of its available resources in most ethical manner. The Company has endeavoured to benchmark itself against global standards in all areas, including Corporate Governance.

### 2. Board of Directors

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 your Company on October 4, 2021 and appointed Mr. Rajneesh Sharma, as the Administrator of your Company under Section 45-IE (2) of the RBI Act.

On October 8, 2021, the RBI had filed a Petition before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT/Adjudicating Authority) under Section 227 read with clause 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 Corporate Insolvency Resolution Process (CIRP) against your Company. Thereafter, CIRP was initiated against your Company by an Order dated October 8, 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 and to complete the CIRP of your Company as required under the provisions of the Code and had also announced

commencement of the moratorium under Section 14 of the Code with effect from October 8, 2021.

Thereafter, RBI vide its Press Release dated October 11, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) 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). As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is 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 also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the administrator in fulfilment of this role and responsibilities. The Advisory Committee consisted of Shri T T Srinivasaraghavan, former Managing Director, Sundaram Finance Limited, Shri Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India, Shri V Ramachandra, former Chief General Manager, Canara Bank.

Further, pursuant to the Order of Hon'ble NCLT approving the Resolution Plan on August 11, 2023, Implementation and Monitoring Committee was constituted for successful implementation of the Approved plan.

### Shareholding of Key Managerial Personnel (KMPs)

Since the Board was superseded by the RBI press release dated October 04, 2021, the current shareholding of the Company does not have any Director Shareholding.

Further, as on March 31, 2023, Mr. Manoj Kumar, being the Company Secretary and Chief Financial Officer, Key Managerial Personnel (KMP) of the Company does not hold any equity shares of the Company as on March 31, 2023. However, Mr. Vishnu Gopal Agarwal who was appointed as an Additional Key Managerial Personnel w.e.f., March 21, 2022, holds 317 shares of the Company as on March 31, 2023.

### 3. Board Composition, Remuneration & Meetings of Board and Committee

Upon supersession of the Board of Directors of your Company by RBI on October 4, 2021 and initiation of CIRP in respect of your Company vide Hon'ble NCLT Order dated October 8, 2021, Mr. Rajneesh Sharma the Administrator of your Company is vested with powers of the Board of Directors. Since, your Company did not have any Board of Directors during the Financial Year 2022-23, no meetings of the Board of Directors were held.

Accordingly, the disclosures pertaining to the Board of Directors, Board Meetings, relationship between Directors inter-se, shares and convertible instruments held by Non-Executive Directors, if any, separate Meeting of Independent Directors, familiarization programme for Independent Directors, Board qualifications and attributes and other disclosures pertaining to the Board of Directors were not applicable to your Company for the Financial Year 2022-23.

In view of the same, the Company also did not have any Board Committees like Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Committee during the year under review.

### 4. Code of Conduct for Directors and Senior Management

A Code of Conduct as applicable to the Senior Management (Vice Presidents and above) as approved by the Board, has been displayed on the Company's website [www.srei.com](http://www.srei.com). Senior Management has affirmed their compliance

with the Code and a Declaration signed by the Administrator and the Chief Financial Officer is given hereunder :

It is hereby declared that the Company has obtained from all the Senior Management an affirmation that they have complied with the Code of Conduct for the Financial Year 2022-23.

**Manoj Kumar**  
Chief Financial Officer

**Rajneesh Sharma**  
Administrator

Further, pursuant to Regulation 26(5) of SEBI Listing Regulations, 2015, Senior Management of the Company have affirmed that they have not entered into any material, financial and commercial transactions during the year in which they had personal interest, that may have potential conflict of interest with the Company.

#### Secretarial Standards issued by Institute of Company Secretaries of India (ICSI)

Pursuant to the provisions of the Companies Act, 2013, as a matter of practice, your Company has been conforming to the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013, as applicable to the Company during CIRP period.

#### 5. Status of Investors' Complaints for Equity Shares and Debentures / Bonds

The Company has formulated and put in place a comprehensive Investor Grievance Redressal Policy prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents as well as the Company. Equity shareholders can write to the Company at 'investor.relations@srei.com' and Bond Holders can write to the Company at 'connect@sreibonds.com' on a day to day basis.

Details of Investor Complaints received and resolved by the Company during the financial year ended March 31, 2023 is tabulated below :

Investor Complaints	Received (Nos.)	Resolved (Nos.)	Pending at the end of the financial year (Nos.)
From SEBI (SCORES)			
➤ Equity	1	1	NIL
➤ Debt	17	17	NIL
From Stock Exchanges			
➤ Equity	-	-	-
➤ Debt	20	20	NIL
Ministry of Corporate Affairs (MCA)			
➤ Equity	-	-	-
➤ Debt	-	-	-
Others (Received by RTA)			
➤ Equity	21	21	NIL
➤ Debt	-	-	-

BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have furnished separate confirmations that there are no investor complaints pending against the Company as on March 31, 2023.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of SEBI Listing Regulations, 2015, Statements of investor complaints as received from the Registrar & Share Transfer Agents, KFin Technologies Limited, each for Equity shares and Bonds / Debentures were filed with the Stock Exchanges on a quarterly basis and the said Statements were also placed before the Corporate Governance and Audit Committee for information and noting.

It has been a constant endeavour of the Company to send regular emails to the shareholders keeping them abreast of all the latest events, press releases and corporate announcements that are made by the Company from time to time. Emails to all shareholders intimating financial results are being sent to those shareholders who have registered their email addresses with their respective Depository Participants.

Shareholders have been given reminder to encash their dividends. Further, in the wake of electronic regime being the order of the day, all shareholders are requested to update their email addresses to enable the Company to serve them better.

#### 6. Senior management :

Particulars of senior management including the changes therein since the close of the previous Financial Year :

Sl No.	Name	Designation	Date of Joining
1.	Mr. Manoj Kumar	Company Secretary and Chief Financial Officer	April 01, 2021
2.	Mr. Vishnu Gopal Agarwal	Financial Controller and Chief Compliance Officer	August 01, 2006

**\*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 to run the affairs of the Company**

#### 7. General Body Meetings :

- Details of the location of the last three Annual General Meetings (AGMs) and the details of special resolutions passed

The date, time and venue of the last three AGMs of the Company and details of special resolutions passed thereat along with details of any special resolution passed last year through postal ballot have been provided in the section on Shareholders' Information in the Annual Report. All the resolutions set out in the respective Notices were passed by the Shareholders.

The Company may pass Special Resolution(s) in Financial Year 2023-24 through Postal Ballot, as and when required, subject to applicable Acts and Rules. Pursuant to the provisions of the Companies Act, 2013, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through postal ballot.

## 8. Means of Communication

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, Press Release and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other material and relevant matters which in its opinion are material and relevant for the shareholders. The Company effectively uses NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre, a web based application designed by National Stock Exchange of India Limited and BSE Limited, respectively, for filing of shareholding pattern, corporate governance report, financial statements and significant corporate announcements thereby saving time, cost and ensuring operational efficiency.

Quarterly results	:	The extract of the consolidated Quarterly results of the Company are published in prominent English Newspaper having nationwide circulation as well as Bengali Newspaper, in compliance with the Regulation 47 read with Regulation 33 of SEBI Listing Regulations, 2015. Further, it is regularly hosted on Company's website
Newspapers in which results are normally published	:	Business Standard, Financial Express, Aajkaal and Ek Din
Any website, where displayed	:	Yes, at the Company's website www.srei.com
Whether it also displays official news releases	:	Yes
Whether MD & A is a part of Annual Report or not	:	Yes

## Subsidiary Companies' Monitoring Framework

All subsidiary companies are managed by their respective Boards having the rights and obligations to manage such companies in the best interest of its stakeholders. The Company does not have any material unlisted subsidiary, however, Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of the Company, is a 'debt listed material subsidiary' of the Company with its debt securities listed on Stock Exchanges. The Company monitors performance of subsidiary companies, inter alia, by the following means :

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the internal committee of the Company Corporate Governance and Audit Committee (CGAC) and thereafter are finalised in the Advisory Committee Meeting (ACM).
- Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Core Strategic Committee (an internal committee formed with the executives of the Company) regularly.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Corporate Governance and Audit Committee (CGAC) and thereafter recommend the same to the Core Strategic Committee (CSC).

In addition to the above, the Company has formulated a Policy for determining 'Material' Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy was last revised on 6th August, 2022 and is available on the Company's website at [https://www.srei.com/sifl\\_corporate-policies/policy-on-determining-material-subsidiaries.pdf](https://www.srei.com/sifl_corporate-policies/policy-on-determining-material-subsidiaries.pdf)

As on March 31, 2023, Srei Equipment Finance Limited (SEFL) is a listed material Subsidiary of the Company.

## 9. General Shareholders' Information

A section on Shareholders' Information is separately provided in the Annual Report.

## 10. Disclosures

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large**

Transactions effected with the related parties are disclosed under Note No. 47 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of IND AS 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015.

A Statement in summary form of the transactions with related parties is periodically placed before the Corporate Governance and Audit Committee for its review and thereafter recommended to the Administrator for his approval.

The Company's related party transactions, during the year, are primarily with the subsidiaries of the Company. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are generally carried out on an arm's length basis. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long - term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

Apart from the transactions reported in the Annual Report as aforesaid, there are no transaction of material nature that has been entered into by the Company with its Key Managerial Personnel (KMPs) and their relatives that may have a potential conflict with the interests of the Company at large. The Company has not entered into any material related party transactions with any of its related parties during the financial year 2022-23.

The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company. The said Policy was last revised on 9th November, 2022 and is available on the Company's website at [https://www.srei.com/sifl\\_corporate-policies/related-party-transactions-rpts-policy.pdf](https://www.srei.com/sifl_corporate-policies/related-party-transactions-rpts-policy.pdf).

In compliance with Regulation 23(9) of SEBI Listing Regulations, 2015, disclosures of related party transactions on a consolidated basis is submitted by the Company to the Stock Exchanges on a half yearly basis. The same is also published on the Company's website www.srei.com.

- **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

In regard to the Application under Section 633 of the Companies Act, 1956 filed on November 26, 2008 in the Hon'ble Calcutta High Court by the Directors and the KMP of the Company, the Ad-interim order of injunction restraining the Regional Director and the Registrar of Companies, West Bengal from instituting or causing to be instituted any proceedings against the Directors and Company Secretary of the Company is still continuing.

Further, with respect to the Inspection by the Ministry of Corporate Affairs (MCA) under Section 206(5) of the Companies Act, 2013, in the matter of Preliminary Finding Letter (PFL) dated February 12, 2021 issued by the Joint Director & Inspecting Officer, MCA, Office of the Regional Director, an application was made on behalf of the Directors of the Company before the Hon'ble High Court of Calcutta on 24th March, 2021 seeking reliefs under the provisions of Section 463 of the Companies Act, 2013.

The Securities and Exchange Board of India (SEBI) served a notice on the Company dated November 15, 2021 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995. The notice was to inquire into and adjudge under Section 23E of the Securities Contract (Regulation) Act, 1956 for the alleged violation of Regulation 30 read with Clause 1 & 3 of Part A, Clause 8 of para B of Part A of Schedule III of SEBI (LODR) Regulations, 2015 and Para 8 of Part 2 of Annexure I of SEBI Circular dated September 9, 2015. After the Company had sent its reply on December 4, 2021, the Adjudicating Officer of SEBI heard the matter and passed on Order dated March 29, 2022 wherein a penalty of ₹ 2,00,000/- (Rupees Two Lacs Only) was imposed on the Company under Section 23E of the Securities Contract (Regulation) Act, 1956. However, this Order is subject to the outcome of the Supreme Court filed by SEBI in the matter of '*Dewan Housing Finance Corporation Ltd. v. Securities and Exchange Board of India.*'

There was a delay in the filing of Standalone and Consolidated Financial Results and related disclosure of the Company for the Quarter and Half-Year ended on 30th September, 2021 as required by Regulation 33 of SEBI Listing Obligations and Disclosure Requirements, 2015 as applicable to Equity Listed Shares and regulation 52 / 54 of SEBI Listing Obligations and Disclosure Requirements, 2015 as applicable to Debt listed securities and accordingly fine of ₹ 1,71,100/- was imposed by National Stock Exchange (NSE) for the quarter ended 30th September, 2021 for delay in compliance with Regulation 33 of SEBI (LODR) Regulations, 2015.

SEBI vide its Adjudication Order No. Order/DS/DK/2022-23/20903-20964 dated October 31, 2022 ('Order'), in the matter of Religare Enterprises Limited had imposed a penalty of ₹ 35 Lacs on the Company payable within 45 days from the date of receipt of the Order.

However, vide its Corrigendum to Order dated November 30, 2022, SEBI has clarified that the said period of 45 days shall not be applicable in respect of the Company as CIRP proceedings are pending against it. The said penalty is payable is subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Diwan Housing Finance Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020).

The Enforcement Directorate (ED) on January 31, 2023 conducted simultaneous investigation on office premises of the Company and its subsidiary, Srei Equipment Finance Limited. The Company and its officials co-operated and provided the required information / documents to the ED.

The Ministry of Corporate Affairs (MCA) vide its letter dated April 18, 2023 has initiated inspection into the affairs of the Company and has sought information and documents under Section 206(5) of the Act. The Company provided the necessary documents / information as required by MCA.

The Company received a Summon No. PMLA/SUMMON/KCZO/2023/ 1077 from the Directorate of Enforcement (ED) in the name of Mr. Manoj Kumar, Company Secretary and Chief Financial Officer of the Company asking him to furnish certain documents. The available relevant documents were provided within the specified period, there has been no further communication from the ED.

- **Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee i.e., Corporate Governance and Audit Committee.**

The Company has a duly adopted Whistle Blower Policy and established a vigil mechanism in line with the provisions of SEBI Listing Regulations and the Companies Act, 2013 to provide a mechanism to the employees and directors of your Company to report issues of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The said Policy was last revised on November 09, 2020 and is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Whistle\\_Blower\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf).

It also provides for adequate safeguards against victimization of Key Managerial Personnel and employees who avail the mechanism and provides for direct access to the Administrator or the Advisory Committee, in exceptional cases.

It is affirmed that post commencement of CIRP with effect from October 4, 2021, no personnel has been denied access to the Administrator.

- **Details of Auditor's Remuneration**

At the 35th AGM of the Company held on September 19, 2020, D. K. Chhajer & Co., Chartered Accountants, having Firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of the Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 35th AGM till the conclusion of the 40th AGM of the Company.

Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor (including all entities in the network firm / network entity of which the Statutory Auditor is a part) during the Financial Year 2022-23 are as follows :

Particulars	2022-23	
	Dassgupta & Associates & J Kala & Associates	D. K. Chhajer & Co.
	SEFL	SIFL
Audit Fees	115.50	40.00
Certification fees and others	191.93	3.23
<b>TOTAL</b>	<b>306.93</b>	<b>43.23</b>

(₹ in Lacs)

However, pursuant to the Guidelines for appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by the Reserve Bank of India ('RBI'), entities are required to appoint the SCAs/SAs for a continuous period of three years subject to the firms satisfying the eligibility norms each year and that an audit firm would not be eligible for reappointment in the same entity for six years (two tenures) after completion of full or part of one term of the audit tenure to protect the independence of the auditors / audit firms.

Further, D.K. Chhajer & Co., Chartered Accountants had completed a continuous period of three years as on March 31, 2023 as Statutory Auditors of the Company. Accordingly, S. K. Agarwal and Co. Chartered Accountants LLP has been recommended to be appointed as the Statutory Auditor of the Company for a period of 1 (One) year from the conclusion of 38th AGM till the conclusion of 39th AGM.

- **Insider Trading Code**

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015), the erstwhile Board of Directors of the Company adopted the Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) by the Designated Persons and their immediate relatives as well as Promoter and Promoter Group of the Company. Further, awareness emails

are circulated to all the Designated Employees of the Company on a monthly basis for increasing awareness, highlighting the compliance requirements arising out of the Srei Insider Code including Do's and Don'ts on insider trading and responsibilities of Designated Persons.

The Srei Insider Code was last revised on 6th August, 2022 in line with the regulatory changes and is available on the Company's website at [https://www.srei.com/sifl\\_corporate-policies/srei\\_of\\_conduct\\_for\\_prohibition\\_of\\_insider\\_trading\\_srei\\_insider\\_code.pdf](https://www.srei.com/sifl_corporate-policies/srei_of_conduct_for_prohibition_of_insider_trading_srei_insider_code.pdf).

Further, with the sole objective of increasing awareness on Srei Insider Code in an easy and simple manner, information and guidance on Prevention of Insider Trading is regularly shared via email wherein the content of the email entails broad overview on regulatory requirements and guidance regarding prevention of insider trading to impart knowledge on how to avoid partaking in insider trading or sharing material non-public information.

Mr. Manoj Kumar, Company Secretary and Chief Financial Officer of the Company is the Compliance Officer for monitoring adherence to the Regulations for the preservation of price sensitive information, pre-clearance of trades and implementation of the Srei Insider Code.

Further, during the Financial Year 2022-23, No instances of violations of the Srei Insider Code by Designated Persons and / or their immediate relatives were observed by the Compliance Officer.

• **Fair Disclosure Code**

Pursuant to Regulation 8 read with Schedule A of the PIT Regulations, 2015, the erstwhile Board of Directors of the Company adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) (Srei Fair Disclosure Code) which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI.

The Company Secretary and Chief Financial Officer of the Company is designated as Chief Investor Relations Officer, to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. A quarterly certificate, affirming compliance with the Srei Fair Disclosure Code is placed before the Corporate Governance and Audit Committee for noting. The said Code was last revised on 14th February, 2022 and is available on the Company's website at [https://www.srei.com/sifl\\_corporate-policies/Code\\_of\\_Practices\\_and-Procedures\\_for\\_Fair\\_Disclosure\\_of-UPSI-3.pdf](https://www.srei.com/sifl_corporate-policies/Code_of_Practices_and-Procedures_for_Fair_Disclosure_of-UPSI-3.pdf).

• **Disclosure of events or information pursuant to SEBI Listing Regulations, 2015**

Pursuant to Regulation 30(1) of SEBI Listing Regulations, 2015, the erstwhile Board of Directors of the Company adopted the Policy for determination of Materiality of any event / information for the purpose of proper, sufficient and timely disclosure of the same to the stock exchange(s). The Policy for determination of Materiality of any event/information is available on the Company's website at [https://www.srei.com/sifl-corporate\\_policies/Policy\\_for\\_determination\\_of\\_Materiality\\_of\\_any\\_Event\\_Information.pdf](https://www.srei.com/sifl-corporate_policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf).

**B. DISCRETIONARY REQUIREMENTS**

(Regulation 27 read with part E of Schedule II of SEBI Listing Regulations, 2015)

**A. Chairman of the Board** : Not Applicable as the Board was superseded by Reserve Bank of India (RBI) on October 04, 2021.  
Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties

**B. Shareholder rights** : Since quarterly, half - yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no

Further, the Company Secretary and Chief Financial Officer of the Company acts as the coordinator and liaison officer for dissemination of material events/information to the Stock Exchanges(s) in terms of SEBI Listing Regulations, 2015 and Company's Policy.

Further, in compliance with Regulation 30(8) of SEBI Listing Regulations, 2015, all such events or information which has been disclosed to Stock Exchanges under the said regulation has been disclosed on the website of the Company [www.srei.com](http://www.srei.com).

Further, with the objective of increasing awareness on disclosure requirements arising under Regulation 30 of SEBI Listing Regulations, 2015, information and guidance is regularly provided to the senior employees of the Company.

• **Policy against Sexual and Workplace Harassment**

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour 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's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. Further, the Company has created a module for the employees which will help the learner to understand the costs of sexual harassment at workplace and the importance of prevention of sexual harassment. Further, the module will familiarise the employees not just about the legal requirements but also the moral and ethical reasons why organisations must promote healthy workplace.

The 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 ('Act'). The Policy is meant to sensitize the employees about their fundamental rights to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

The details of complaints during the Financial Year 2022-23 pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Company's Policy on Prevention of Sexual Harassment is as under :

Number of complaints filed	Number of complaints disposed off	Number of complaints pending
Nil	Nil	Nil

declaration / publication of second half yearly results as the audited annual results are taken on record by the Advisory Committee and then communicated to the shareholders through the Annual Report.

The Annual Report of the Company for the financial year 2022-23 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. Further, in view of the circulars issued by the Ministry of Corporate Affairs (MCA) and by the Securities and Exchange Board of India (SEBI), the Company will not be sending hard copies of the Annual Report for financial year 2022-23 to the Members. Therefore, Members are requested to get their email addresses registered / updated with the Company / Depository Participants, as applicable.

The Company communicates with shareholders through e-mail, telephone and one on one meetings either in shareholder's conferences, Company visits or on road shows.

- C. Modified opinion(s) in audit report** : The Auditors have provided a "Disclaimer of opinion" report for the Financial year ended on March 31, 2023.
- Company may move towards a regime of unmodified financial statements
- After the commencement of the CIRP on October 08, 2021, along with the Advisory Committee and the current management team of your Company, various initiatives have been taken to ensure "going concern" status of the Company. The focus during the CIRP period has been to strengthen the internal systems and processes of the Company, along with its Risk and Compliance culture.
- In this regard, the present management of your Company, under the guidance of the Administrator's Office has undertaken various initiatives including efforts to strengthen the policies and processes, compliances, functioning of the IT System, legal, internal audit and updating risk control matrices, information security, operational and credit management risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants.
- These initiatives contributed to strengthen your Company's overall governance structure and control environment. On conclusion and complete implementation of all such initiatives, it is expected that the operational efficiency will improve and operational issues are expected to get addressed.

- D. Reporting of Internal Auditor** : The Internal Auditor of the Company has been an invitee to the Corporate Governance and Audit Committee Meetings and has regularly attended the Meetings for reporting audit findings to the said Committee.

## Srei Infrastructure Finance Limited

### SHAREHOLDERS' INFORMATION

- 1. Annual General Meeting** :
- a. Date and Time : September 30, 2023 at 3:00 P.M.
- b. Venue : The 38th AGM of the Company will be conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM). The deemed venue for the 38th AGM shall be the Registered Office of the Company.
- 2. Financial Calendar (Tentative)** : April 1 to March 31
- a. Financial reporting for : 2022-23
- Quarter ending June 30, 2023 : On or before August 14, 2023
- Quarter / Half year ending September 30, 2023 : On or before November 14, 2023
- Quarter / Nine months ending December 31, 2023 : On or before February 14, 2024
- Year ending March 31, 2024 : On or before May 30, 2024
- b. Annual General Meeting for the year ending on March 31, 2024 : August / September, 2024
- 3. Dividend Payment Date** : Not Applicable (Since no dividend is recommended for the financial year 2022-23).
- 4. Listing on Stock Exchanges** : The Equity shares of the Company are presently listed on the following Stock Exchanges:
- a. **BSE Limited**  
P. J. Towers, Dalal Street  
Mumbai – 400 001



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

The Unsecured Perpetual Non-Convertible Debentures (PDI) of the Company amounting to ₹ 10 Crores are listed on the Debt Segment of BSE Limited (BSE).

5. **Listing Fees** : Listing fees for the financial year 2022-23 has been paid to all the Stock Exchanges.

6. **International Security Identification Number (ISIN)** : Equity Shares - INE872A01014

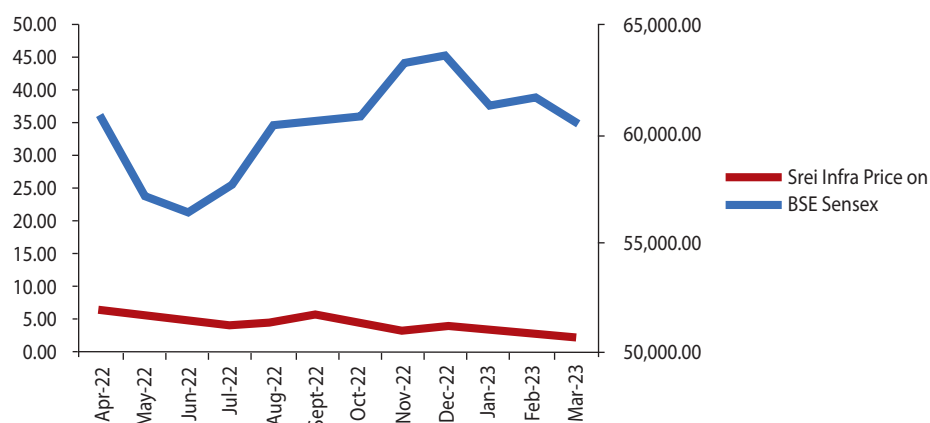
7. **Stock Codes (Equity Shares)** : Equity Shares  
 BSE - 523756 and NSE - SREINFRA

8. **Corporate Identification Number (CIN)** : L29219WB1985PLC055352

9. <b>Stock Market Data</b>	Month	National Stock Exchange of India Limited			BSE Limited		
		High ₹	Low ₹	Volume	High ₹	Low ₹	Volume
	April, 2022	6.35	5.20	1,61,02,000	6.40	5.05	48,09,703
	May, 2022	5.55	4.35	90,99,000	5.55	4.36	27,64,008
	June, 2022	4.75	3.90	35,37,000	4.84	3.85	12,06,806
	July, 2022	4.10	3.70	36,57,000	4.19	3.65	9,78,999
	August, 2022	4.60	3.80	53,06,000	4.64	3.73	17,31,056
	September, 2022	5.60	4.20	42,24,000	5.67	4.12	16,26,940
	October, 2022	4.45	3.70	1,49,000	4.42	3.61	1,91,806
	November, 2022	3.55	2.65	65,33,000	3.50	2.68	42,33,061
	December, 2022	3.95	2.90	25,17,000	4.00	2.91	7,26,920
	January, 2023	3.50	2.90	2,54,000	3.43	2.81	4,38,828
	February, 2023	2.95	2.05	45,73,000	2.90	1.99	18,58,599
	March, 2023	2.55	2.25	85,000	2.51	2.17	61,892

Note : Volume is the total monthly volume of trade in number of shares

Performance in comparison to BSE Sensex (monthly High)



10. **Registered Office** :
- a. Address : 'Vishwakarma', 86C, Topsia Road (South)  
 Kolkata – 700 046
- b. Telephone No. : 91-33-6160 7734
- c. Facsimile Nos. : 91-33-2285 7542/8501
- d. Website : www.srei.com
- e. Email : corporate@srei.com

**11. Registrar and Share Transfer Agent's details**

a. Name & Address	:	KFin Technologies Limited Selenium Building, Tower B, Plot 31&32 Financial District, Nanakramguda Serilingampally, Hyderabad Rangareddi, Telangana - 500 032
b. Telephone Nos.	:	910 009 4099 (Whatsapp) 1800-309-4001
c. Facsimile No.	:	040-2342 0814
d. Website	:	<a href="https://www.kfintech.com">https://www.kfintech.com</a>
e. Email	:	einward.ris@kfintech.com

**12. Details of Debenture Trustees**

a. Name & Address	:	<b>Catalyst Trusteeship Limited</b> Windsor, 6th Floor, Office No. - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098 Maharashtra
b. Telephone	:	+91 22 4922 0506
c. Facsimile No.	:	+ 91 22 4922 0505
d. Website	:	<a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>
e. Email	:	complianceCTL-mumbai@ctltrustee.com

**13. Financial Year** : 1st April to 31st March

14. Particulars of Past three AGMs	AGM	Year	Venue	Date	Time	Members present
	<b>37th*#</b>	2021/22	Thru' Video Conferencing (VC) / Other Audio Visual Means (OAVM)	30/09/2022 (Friday)	11:30 a.m.	67
	<b>36th*</b>	2020/21	Thru' Video Conferencing (VC) / Other Audio Visual Means (OAVM)	25/09/2021 (Saturday)	11:00 a.m.	76
	<b>35th*</b>	2019/20	Thru' Video Conferencing (VC) / Other Audio Visual Means (OAVM)	19/09/2020 (Saturday)	11:00 a.m.	94

\*No Special Resolution was passed

# No special resolution passed through postal ballot

**15. Distribution of Shareholding as on March 31, 2023**

Category (Shares)	No. of Shareholders*		No. of Shares	
	Total	Percent	Total	Percent
Up to 500	76,663	68.05	1,15,78,771	2.30
501 to 1000	14,439	12.82	1,22,04,137	2.43
1001 to 2000	8,943	7.94	1,42,22,885	2.83
2001 to 3000	3,609	3.20	94,32,270	1.87
3001 to 4000	1,868	1.66	67,85,025	1.35
4001 to 5000	1,814	1.61	86,86,250	1.73
5001 to 10000	2,921	2.59	2,20,99,312	4.39
10001 to 20000	1,349	1.20	1,96,68,806	3.91
20001 and above	1,052	0.93	39,84,08,877	79.19
<b>Total</b>	<b>1,12,658</b>	<b>100.00</b>	<b>50,30,86,333</b>	<b>100.00</b>

\*based on number of folios

**16. Dividend History (Last 5 Years)**

Financial Year	Dividend Per Share* (₹)	Dividend Declaration Date
2022 – 23	-	-
2021 – 22	-	-
2020 – 21	-	-
2019 – 20	-	-
2018 – 19	0.50	March 08, 2019**

\*share of paid-up value of ₹ 10/- per share

\*\*Interim Dividend

**17. Categories of Shareholders as on March 31, 2023**

Category Code	Category of Shareholder	Total Number of Shares	As a Percentage of (A+B+C)
A	Shareholding of Promoter and Promoter Group		
1	Indian	30,58,68,559	60.80
2	Foreign	N.A	N.A
<b>Total Shareholding of Promoter and Promoter Group*</b>		<b>30,58,68,559</b>	<b>60.80</b>
B	Public Shareholding		
1	Institutions	2,09,40,395	4.16
2	Non-institutions**	17,62,77,379	35.04
<b>Total Public Shareholding</b>		<b>19,72,17,774</b>	<b>39.20</b>
C	Non Promoter-Non Public		
1	Shares underlying DRs	-	-
<b>Total Non Promoter-Non Public Shareholding</b>		<b>-</b>	<b>-</b>
<b>GRAND TOTAL (A+B+C)</b>		<b>50,30,86,333</b>	<b>100.00</b>

\*None of the shares held by the Promoter / Promoters' Group is under pledge

\*\*Includes 4,44,285 equity shares transferred to the Investor Education and Protection Fund (IEPF)

**18. Credit Ratings**

The following are the Credit Ratings as on March 31, 2023 assigned to unsecured perpetual Non-Convertible Debentures (NCDs) of the Company :

Agency	Brickwork
Innovative Perpetual Debt Instrument (PDI)	BWR D (Reaffirmed Issuer not cooperating)

During the Financial Year 2022-23, the credit ratings of the various instruments issued by the Company were revised as follows :

Credit Rating Agency	Instruments / Facilities	Date of Revision	Revision Type
Brickwork Ratings India Pvt. Ltd. (Brickwork)	Innovative perpetual debt instrument (IPDI)	13.06.2022	Downgrade

Requisite intimations in this regard were sent to the Stock Exchanges in compliance with Regulation 30 read with Schedule III of the SEBI Listing Regulations, 2015.

Further, in terms of the Business Transfer Agreement (BTA) dated August 16, 2019, the Company has transferred all rights and obligations under the Debenture Trust Deeds arising out of the listed Non-Convertible Debentures (NCDs) to Srei Equipment Finance Limited (SEFL), wholly - owned subsidiary of the Company, pursuant to the Novation Deeds executed with the Debenture Trustees i.e. Catalyst Trusteeship Limited and Axis Trustee Services Limited on December 18, 2019 and January 14, 2020, respectively.

**19. Commodity Price risk, Foreign Exchange risk and Hedging activities**

The Company does not deal in any commodity and hence is not exposed to any commodity price risk. Further, the Company lays down the overall risk strategy and Risk Committee oversees the application and adherence to it. The Company has adopted a comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk - adjusted rate of return of the portfolio by keeping close track of macro - economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market.

Foreign exchange risk management becomes an imperative as the Company borrows money in foreign currency and lends in domestic currency. Therefore, in order to optimise the cost of funds and diversify the funding mix, effective hedging strategies are put in place in keeping with the Company's risk appetite; and limits pertaining to an open position are devised.

**20. Measures adopted to protect the interests of the Shareholders**
**a. Share Transfer Processing**

Pursuant to the proviso to Regulation 40(1) of SEBI Listing Regulations, 2015, except in the case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository w.e.f. April 01, 2019.

The amendment does not prohibit the shareholders from holding the shares in physical form. Shareholder has the option of holding shares in physical form even after April 01, 2019. However, any shareholder who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized. In view of the above and the inherent benefits of holding shares in electronic form, the shareholders holding shares in physical form are advised to opt for dematerialization at the earliest.

Further, SEBI vide Press Release No. 12/2019 dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019. Further, SEBI vide Circular dated September 07, 2020 stipulated March 31, 2021 as the cut off date for re-lodgement of transfer deeds. Further, the shares that are re-lodged for transfer (including those request that are pending with the listed company / RTA, as on the date of the Circular) shall henceforth be issued only in dematerialised mode.

There were no physical transfer of shares during the year 2022-23 and 2021-22. Further, there are no legal cases relating to transfer of shares.

The Company obtains from a Company Secretary in Practice yearly certificate of compliance pertaining to share transfer formalities as required under Regulation 40(9) and formalities w.r.t. transfer of Non-Convertible Debentures (NCDs) as required under Regulation 61(4) of SEBI Listing Regulations, 2015 and files a copy of the certificates with the Stock Exchanges.

b. Redressal of Grievances

Investor servicing is one of the key ingredient of good Corporate Governance practices to enhance stakeholders' confidence. Necessary system has been put in place in order to attend with promptness any grievances or queries by the Shareholders. Personal calls and proactive follow-ups have only enhanced stakeholders' confidence which has enabled retaining NIL investor grievances status month on month.

Various initiatives undertaken to closely monitor the grievances / correspondences of Equity shareholders are as follows :

- A designated e-mail ID 'investor.relations@srei.com' is available to address the Investor Grievances on a day to day basis;
- Shareholders' Referencer, a handbook for shareholders is available on the Company's website at <https://www.srei.com/sifl-shareholders-information-shareholders-referencer>. It serves as an easy guide for the investor's share and dividend related queries and inter-alia covers the shareholders' grievance redressal mechanism and their duties & responsibilities.

In addition to the above, a comprehensive Investor Grievance Redressal Policy has been formulated and put in place by the Company. The said Policy was last revised on June 30, 2021.

The investor complaints are processed in a centralised web-based complaints redress system called SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status. The Company had obtained SCORES authentication in June, 2011, when the said concept was introduced by SEBI and the Company has maintained a track record of resolving the grievances of investors received on SCORES within the stipulated time period specified by SEBI.

The Securities and Exchange Board of India (SEBI) issued Circular No.CIR/OIAE/1/2014 dated December 18, 2014 on SCORES consolidating all the earlier Circulars issued relating to SCORES. The said Circular provides that failure by listed companies and SEBI registered intermediaries to file Action Taken Report under SCORES within 30 (thirty) days of date of receipt of the grievance shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance. Further, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2018/58 dated March 26, 2018 has permitted investors to directly approach listed companies / registered intermediary for redressal of their complaints via SCORES Platform w.e.f. August 01, 2018. The entity is required to redress the grievance within 30 (thirty) days, failing which the complaint shall be registered in SCORES. Further, SEBI vide Circular dated August 13, 2020 specified that in case of delays, Stock Exchanges have been empowered to impose fines of ₹ 1,000 per day on the listed companies, after following the process as laid down in the aforesaid Circular. The said Circular has become effective from September 01, 2020.

There are no pending investor grievances lying unresolved as per the data available on SCORES as on March 31, 2023.

c. Prevention of Fraudulent Transfers

A locking provision is in existence whereby, whenever any intimation is received from the shareholders regarding loss of shares or of any legal dispute, the shares are immediately kept locked so that fraudulent transfer is stalled.

d. Dematerialis-ation of Shares and Liquidity

Based on a SEBI directive, the Equity shares of the Company are permitted to be traded only in dematerialised form and are available for demat under both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2023, a total of 50,04,36,582 Equity shares of the Company representing 99.47% of the total Equity Share Capital were held in dematerialised form. The entire Promoters' Group shareholding of the Company is in dematerialised form.

The bifurcation of shares held in Physical and Demat form as on March 31, 2023 is given below –

Physical / Electronic	No. of Holders*	No. of Shares	%
Physical	2,667	26,49,751	0.53
NSDL	41,669	9,71,76,134	19.32
CDSL	68,322	40,32,60,448	80.16
<b>Total</b>	<b>1,12,658</b>	<b>50,30,86,333</b>	<b>100.00</b>

\*based on number of folios

For any assistance in converting physical shares in electronic form, investors may approach KFin Technologies Limited or the Secretarial Department of the Company.

The Equity shares of the Company are actively traded on the Stock Exchanges.

e. Depositories

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, A Wing 4th and 5th Floor Kamala Mills Compound Senapati Bapat Marg Lower Parel Mumbai - 400 013 Telephone No : 91-22-2499 7000 Facsimile Nos : 91-22-2497 2993/6351 E-mail : info@nsdl.co.in Website : www.nsdl.co.in	25th Floor, Marathon Futurex N M Joshi Marg, Lower Parel (East) Mumbai - 400013 Telephone No : 91-22-2305 8640 Facsimile Nos : 91-22-2272 3199/2072 E-mail : investors@cdslindia.com Website : cdsindia.com

f. Registrar and Share Transfer Agents (RTA)

The share transfer and shareholder related activities of the Company are attended and processed by the Registrar and Share Transfer Agents (RTA) of the Company. It is the responsibility of the RTA, inter alia, to register share transfers, coordinate with the depositories and to look after the redressal of shareholders' and Investors' complaints. The complaints / queries received from Investors relating to transfer of shares, non-receipt of annual reports, dividends, share certificates etc. and also the complaints / queries received through SEBI, MCA and the Stock Exchanges are being attended to by the RTA on priority basis.

KFin Technologies Limited, Selenium Building, Tower B, Plot 31&32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500 032, India, is the Registrar and Share Transfer Agents (RTA) of the Company for Equity Shares.

KFin Technologies Limited also acts as the Registrar to Non-Convertible Debt Securities (NCDs) of the Company.

g. Fund Raising

The Company has not raised any funds through issuance of securities during the Financial Year 2022-23.

h. Investor Relations

Global macro and business environment has been very dynamic in the past year with implications on Company's business and financial performance. In this context, the Company recognises the imperatives to maintain continuous dialogue with the investor community. This is done with the objective to abreast the Investors of all the significant developments that may likely impact the Company's performance. This translates into feeding timely, accurate and relevant information that helps investors in taking informed investment decisions.

The Company focuses to build Investor Relations on pillars of trust and transparency. The Company's proactive approach has enabled global investor community to better understand the management objectives, corporate strategies and overall performance of the Company over a period of time.

To deliver an effective communication, the Investor Relations Department of the Company effectively deploys tools like Annual Report, Quarterly Earnings, Investor Release, Conference Calls, one on one Investor Meets, General Meetings and Internet (Company website) to serve as a link to stay connected with the Investors. In order to enable the Company to serve better, the Members are requested to update their database with the Company by filling in and returning to the Company the Shareholders Information Form available on the Company's website at <https://www.srei.com/sifl-shareholders-information-forms> or by e-mailing the information at [investor.relations@srei.com](mailto:investor.relations@srei.com).

**21. Address for Shareholders' correspondence**

The Company Secretary & Chief Financial Officer  
Srei Infrastructure Finance Limited  
'Vishwakarma', 86C, Topsia Road (South)  
Kolkata – 700 046  
Email : [secretarial@srei.com](mailto:secretarial@srei.com), [investor.relations@srei.com](mailto:investor.relations@srei.com)

**22. Transfersto the Investor Education and Protection Fund (IEPF)**

a. Unclaimed Dividend on Equity shares

Pursuant to Section 124(5) of the Companies Act, 2013, dividends that are unclaimed for a period of 7 (Seven) years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

The dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF are as follows :

Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF
2014 – 15	August 01, 2015	September 06, 2022*
2015 – 16	August 06, 2016	September 11, 2023
2016–17	July 22, 2017	August 27, 2024
2017 – 18	July 21, 2018	August 20, 2025
2018 – 19	March 08, 2019**	April 11, 2026
2019 – 20	NA	NA
2020 – 21	NA	NA

\*\*Interim Dividend

\* 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 the Investor Education Protection Fund ("IEPF"). However, pursuant to the Order dated October 8, 2021 passed by the Hon'ble NCLT, Kolkata, CIRP has been initiated for your Company and the moratorium has commenced under Section 14 of the Code read with Rule 5(b)(i) of FSP Rules effective from October 8, 2021. The Company needs to comply with the General Circular No. 08/ 2020 issued by the Ministry of Corporate Affairs (MCA) dated March 6, 2020 captioned "Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016)" which states that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form MGT-7) and Financial Statement (e-form AOC - 4) and other documents under the provisions of the Act, in accordance with directions issued by the NCLT / NCLAT / Courts, shall be filed as attachments with e-form GNL-2 against the payment of one time normal fee only, till such time the Company remains under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/ RP. The Company has made the filings of the eforms IEPF-1, IEPF-2 and IEPF-4, as an attachment of eform GNL-2. However, since the GNL - 2 form is not linked with IEPF - 1, the Company is unable to generate SRN for payment to IEPF authorities. Due to said technical difficulty the Company is unable to transfer the unpaid and unclaimed dividend amount pertaining to the Financial Year 2014-15, under the provisions of Section 125 & other applicable provisions of the Act. The Company has written correspondences to the Registrar of Companies for their guidance and the IEPF authorities for their guidance. The revert on the same is still awaited. Cumulatively, the aggregate dividend amount transferred to the said Fund upto March 31, 2023 stands at ₹ 81,22,846.69.

The shareholders are regularly advised to claim the unencashed dividends lying in the unpaid dividend accounts of the Company before the due dates for crediting the same to the Investor Education and Protection Fund. Further, the details of dividend unclaimed by the Members for the past years which have not yet been transferred to the Central Government are readily available for view by the Members on the website of the Company [www.srei.com](http://www.srei.com). Further, the Members are advised to glance through the database and lodge their claim with the Company's Registrar and Share Transfer Agents for dividend which have remained unclaimed.

b. Unclaimed Deposits

During the year under review, no amount was transferrable to IEPF, being the unpaid amount of unclaimed deposits as provided in Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

c. Equity shares in respect of which dividend has not been claimed for 7 (seven) consecutive years or more

During the year under review, the Company was unable to transfer 66,215 Equity shares pertaining to Financial Year 2014-15, due for transfer to the IEPF in accordance with the applicable provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 because of inability of the Company to file Form GNL-2 due to technical reasons as stated in (a) above. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited. Details of the shares transferred to IEPF are available on the Company's website under the link <https://www.srei.com/sifl-shareholders-information-transfer-shares-iepf>. Total number of Equity shares lying in IEPF account as on March 31, 2023 aggregates to 4,44,285 shares.

The Company has sent reminders to those shareholders whose shares are eligible to be transferred to IEPF during the Financial Year 2022-23 by giving them at least 3 (three) months' notice and also informing them through an appropriate advertisement in the newspapers.

Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the voting rights on shares transferred to the IEPF shall remain frozen until the rightful owner claims the shares. However, for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights.

The shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back by the Shareholders from the IEPF Authority after following the procedure prescribed under the Rules. Guidelines for Shareholders to file claim in respect of the unclaimed dividend and / or shares transferred to IEPF is available on the Company's website under the weblink. <https://www.srei.com/sifl-shareholders-information-transfer-shares-iepf>.

### 23. Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents or can be downloaded from the Company's website at <https://www.srei.com/sifl-shareholders-information-forms>. Nomination facility in respect of shares held in electronic form is available with the Depository Participants as per bye-laws and business rules applicable to NSDL and CDSL.

### 24. Payment of Dividend etc. in electronic mode

Pursuant to Regulation 12 of SEBI Listing Regulations, 2015, listed entity shall use any of the electronic modes of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds ₹ 1,500 (Rupees One Thousand and Five Hundred only), the 'payable at-par' warrants or cheques shall be sent by speed post.

The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors. The RTA on the behalf of the Company maintains bank details of its investors as follows:

- (a) for investors holding securities in dematerialized mode, by seeking the same from the depositories.
- (b) for investors holding securities in physical mode, by updating bank details of the investors at their end.

In cases where either the bank details such as Magnetic Ink Character Recognition, Indian Financial System Code, etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, the Company or share transfer agent shall issue 'payable-at-par' warrants / cheques for making payments:

The Company shall mandatorily print the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the listed entity shall mandatorily print the address of the investor on such payment instructions.

Payment of dividend and other benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit / misplacement / revalidation etc. can be easily mitigated.

Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA by sending a duly filled and signed National Automated Clearing House (NACH) Mandate Form available on the website of the Company [www.srei.com](http://www.srei.com).

The Company is using **National Automated Clearing House (NACH)** mandate for remittance of dividend either through NACH or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.

Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Company's Dividend Distribution Policy is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Dividend\\_Distribution\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf).

### 25. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified practicing Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**26. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)**

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards, to the extent applicable during the CIRP period.

**27. Secretarial Audit**

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards with respect to General Meetings (SS-2) issued by The Institute of Company Secretaries of India, all the Regulations of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, 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 is provided in the Annual Report.

**28. Compliance Officer**

Mr. Manoj Kumar  
Company Secretary & Chief Financial Officer  
FCS 6698  
'Vishwakarma', 86C, Topsia Road (South)  
Kolkata - 700 046, West Bengal  
Tel : 91-33-6160 2912  
Email : secretarial@srei.com

**29. Role of Company Secretary in overall governance process**

The Company Secretary plays a key role in ensuring that the procedures are in accordance with the Administrators guidance and are followed and regularly reviewed. He assists and advises the Administrator in ensuring good corporate governance as well as in complying with the corporate governance requirements. The Company Secretary ensures that all relevant information, details and documents are made available to the Administrator and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and in accordance with Section 205 of the Companies Act, 2013 reports to the Board (i.e., Board here signifies the Administrator) regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. He is also the interface between the management and regulatory authorities for governance matters.

**30. Web links to Company policies and programmes**

Policy on determining Material Subsidiaries -  
[https://www.srei.com/sifl\\_corporate-policies/policy-on-determining-material-subsidiaries.pdf](https://www.srei.com/sifl_corporate-policies/policy-on-determining-material-subsidiaries.pdf)

Related Party Transactions (RPT) Policy -  
[https://www.srei.com/sifl\\_corporate-policies/related-party-transactions-rpts-policy.pdf](https://www.srei.com/sifl_corporate-policies/related-party-transactions-rpts-policy.pdf)

Familiarisation Programme for Independent Directors -  
[https://www.srei.com/sifl-corporate-policies/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf)

Whistle Blower Policy -  
[https://www.srei.com/sifl-corporate-policies/Whistle\\_Blower\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf)

ESMS Policy -  
[https://www.srei.com/sifl-corporate-policies/ESMS\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf)

Policy on Prevention of Sexual Harassment -  
[https://www.srei.com/sifl-corporate-policies/Policy\\_on\\_Prevention\\_of\\_Sexual\\_Harassment.pdf](https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf)

Corporate Social Responsibility (CSR) Policy -  
[https://www.srei.com/sifl\\_corporate-policies/Corporate\\_Social\\_Responsibility\\_CSR\\_Policy.pdf](https://www.srei.com/sifl_corporate-policies/Corporate_Social_Responsibility_CSR_Policy.pdf)

Nomination and Remuneration Policy -  
[https://www.srei.com/sifl\\_corporate-policies/srei\\_nomination\\_remuneration\\_policy.pdf](https://www.srei.com/sifl_corporate-policies/srei_nomination_remuneration_policy.pdf)

Policy on Board Diversity -  
[https://www.srei.com/sifl\\_corporate-policies/Policy\\_on\\_Board\\_Diversity.pdf](https://www.srei.com/sifl_corporate-policies/Policy_on_Board_Diversity.pdf)

Srei Fair Practices Code -  
[https://www.srei.com/pdf/Srei\\_Fair\\_Practice\\_Code.pdf](https://www.srei.com/pdf/Srei_Fair_Practice_Code.pdf)



Srei Code of Conduct for Board of Directors and Senior Executives -  
[https://www.srei.com/sifl-corporate-policies/Srei\\_Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Senior\\_Executives\\_New.pdf](https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives_New.pdf)

Code of Practices and Procedures for Fair Disclosure (Srei Fair Disclosure Code) of Unpublished Price Sensitive Information (UPSI) -  
[https://www.srei.com/sifl-corporate-policies/Code\\_of\\_Practices\\_and\\_Procedures\\_for\\_Fair\\_Disclosure\\_of\\_UPSI.pdf](https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf)

Srei Investor Grievance Redressal Policy -  
[https://www.srei.com/sifl-corporate-policies/Srei\\_Investor\\_Grievance\\_Redressal\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf)

Srei Corporate Governance Framework -  
[https://www.srei.com/sifl-corporate-policies/Corporate\\_Governance\\_Framework.pdf](https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf)

Policy for determination of Materiality of any Event/Information -  
[https://www.srei.com/sifl-corporate-policies/Policy\\_for\\_determination\\_of\\_Materiality\\_of\\_any\\_Event\\_Information.pdf](https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf)

Archival Policy -  
[https://www.srei.com/sifl\\_corporate-policies/Archival\\_Policy.pdf](https://www.srei.com/sifl_corporate-policies/Archival_Policy.pdf)

Dividend Distribution Policy -  
[https://www.srei.com/sifl-corporate-policies/Dividend\\_Distribution\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf)

Public Policy and Advocacy -  
[https://www.srei.com/sifl-corporate-policies/Public\\_policy\\_and\\_advocacy.pdf](https://www.srei.com/sifl-corporate-policies/Public_policy_and_advocacy.pdf)

**31. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015**

Upon supersession of the Board of Directors by the RBI on October 04, 2021 as stated hereinabove, and initiation of the Corporate Insolvency Resolution Process (CIRP), certain provisions of the SEBI Listing Regulations ceased to be applicable to your Company during the CIRP process. Further the one's applicable / not applicable have been mentioned below in the tabular form :

Sl. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	NA	NA
2.	Maximum Number of Directorships	17A	NA	NA
3.	Audit Committee	18	NA	NA
4.	Nomination and Remuneration Committee	19	NA	NA
5.	Stakeholders Relationship Committee	20	NA	NA
6.	Risk Management Committee	21	NA	NA
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>Review of Vigil Mechanism for employees</li> <li>Adequate safeguards against victimization of employees / personnel who avail the mechanism</li> <li>Direct access to Administrator or Advisory Committee</li> </ul>
8.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>Approval including omnibus approval of Audit Committee and the Board</li> <li>Review of Related Party Transactions</li> <li>No material Related Party Transactions</li> <li>Disclosure of Related Party Transactions on consolidated basis to stock exchanges and publishing the same on Company website</li> </ul>

9.	Corporate governance requirements with respect to subsidiary of Company	24	Yes	<ul style="list-style-type: none"> <li>Material subsidiary of the Company is Debt Listed</li> <li>Minutes of the meetings of the Board of Directors of the unlisted subsidiary are placed before the CGAC and CSC of the Company</li> <li>Significant transactions and arrangements entered into by the unlisted subsidiary are taken on note by the CGAC and CSC of the Company</li> </ul>
10.	Secretarial Audit	24A	Yes	<ul style="list-style-type: none"> <li>Secretarial Audit Report annexed to the Board's Report (Report of the Implementation and Monitoring Committee chaired by the Administrator)</li> <li>No material unlisted subsidiary</li> <li>Secretarial Compliance Report submitted to stock exchanges</li> </ul>
11.	Obligations with respect to Independent Directors	25	NA	NA
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> <li>Affirmation on compliance of Code of Conduct by Senior Management</li> <li>Disclosures by Senior Management about potential conflicts of interest</li> <li>No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by any employee (including Key Managerial Personnel)</li> </ul>
13.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> <li>Compliance with discretionary requirements</li> <li>Filing of quarterly compliance report on Corporate Governance with stock exchanges</li> </ul>
14.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>Terms and conditions for appointment of Independent Directors-NA</li> <li>Composition of various Committees of the Board of Directors-NA</li> <li>Code of Conduct for Board of Directors and Senior Executives</li> <li>Details of establishment of Vigil Mechanism / Whistle - blower policy</li> <li>Criteria of making payment to Non-executive Director-NA</li> <li>Policy on dealing with Related Party Transactions</li> <li>Policy for determining 'material' subsidiaries</li> <li>Details of familiarization programmes imparted to Independent Directors - NA</li> </ul>

## Srei Corporate Codes & Policies – Key changes FY 2022-23

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

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2022-23
1.	Policy on determining Material Subsidiaries	The policy is used to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.	<a href="https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf">https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf</a>	<p>Changes Made :</p> <ol style="list-style-type: none"> <li>Updated as per changes in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</li> <li>Entire Policy aligned as per present scenario of the Company</li> <li>Since the Board was superseded, w.e.f. October 04, 2021, the following amendment was made :</li> </ol> <p>Any reference to the words "Board / Committee" in the Policy /Code shall be referred to as "Administrator /Core Strategic Committee / Any other Committee" till the Policy / Code is modified / revised or till the completion of CIRP</p>
2.	Related Party Transactions (RPTs) Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.	<a href="https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf</a>	<p>Changes made :</p> <ol style="list-style-type: none"> <li>Material Modifications defined</li> <li>Updated as per changes in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</li> <li>Updated as per leading corporate practice</li> <li>Entire Policy aligned as per present scenario of the Company</li> <li>Since the Board was superseded, w.e.f. October 04, 2021, the following amendment was made :</li> </ol> <p>Any reference to the words "Board / Committee" in the Policy / Code shall be referred to as "Administrator / Core Strategic Committee / Any other Committee" till the Policy / Code is modified / revised or till the completion of CIRP</p>
3.	Whistle Blower Policy	<p>The policy provides 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.</p> <p>The policy was revised and adopted on 9th November, 2020.</p>	<a href="https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf</a>	There has been no change to the Policy during the year
4.	Environmental and Social Management System (ESMS) 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.	<a href="https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf">https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf</a>	There has been no change to the Policy during the year
5.	Policy on Prevention of Sexual Harassment	The policy is meant to sensitize the employees about their fundamental	<a href="https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf">https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf</a>	There has been no change to the Policy during the year

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2022-23
		right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.		
6.	Corporate Social Responsibility (CSR) Policy	The policy outlines the Company's strategy to taking Corporate Social Responsibility (CSR) as a sustainable social initiative with the aim to align and integrate its resources with society's developmental needs towards creating a better tomorrow.	<a href="https://www.srei.com/sifl_corporate-policies/Corporate_Social_Responsibility_CSR_Policy.pdf">https://www.srei.com/sifl_corporate-policies/Corporate_Social_Responsibility_CSR_Policy.pdf</a>	There has been no change to the Policy during the year
7.	Srei Nomination & 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.	<a href="https://www.srei.com/sifl_corporate-policies/srei_nomination_remuneration_policy.pdf">https://www.srei.com/sifl_corporate-policies/srei_nomination_remuneration_policy.pdf</a>	<p>Changes Made :</p> <ol style="list-style-type: none"> <li>Updated as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</li> <li>Updated as per RBI Guidelines on compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022</li> <li>Entire Policy aligned as per present scenario of the Company</li> <li>Since the Board was superseded, w.e.f. October 04, 2021, the following amendment was made :</li> </ol> <p>Any reference to the words "Board / Committee" in the Policy / Code shall be referred to as "Administrator / Core Strategic Committee / Any other Committee" till the Policy / Code is modified / revised or till the completion of CIRP</p>
8.	Policy on Board Diversity	The policy sets out the approach to diversity on the Board of Directors of the Company and recognises and embraces the benefits of having a diverse Board appropriate to the requirements of the Company.	<a href="https://www.srei.com/sifl_corporate-policies/Policy_on_Board_Diversity.pdf">https://www.srei.com/sifl_corporate-policies/Policy_on_Board_Diversity.pdf</a>	There has been no change to the Policy during the year.
9.	Srei Fair Practices Code	The code provides the framework for dealings with the Customers and lays down mechanisms for redressal of Customer grievances.	<a href="https://www.srei.com/pdf/Srei_Fair_Practice_Code.pdf">https://www.srei.com/pdf/Srei_Fair_Practice_Code.pdf</a>	There has been no change to the Policy during the year
10.	Srei Code of Conduct for Board of Directors and Senior Executives	The code provides the framework for promoting ethical conduct in the Company.	<a href="https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives_New.pdf">https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives_New.pdf</a>	<p>Changes made :</p> <ol style="list-style-type: none"> <li>Duties of directors as per Companies Act, 2013 inserted</li> <li>Since the Board was superseded, w.e.f. October 04, 2021, the following amendment was made :</li> </ol> <p>Any reference to the words "Audit Committee/Board / Committee" in the Policy / Code shall be referred to as "Administrator / Core Strategic Committee / Any other Committee" till the Policy / Code is modified / revised or till the completion of CIRP</p> <ol style="list-style-type: none"> <li>Entire Policy aligned as per present scenario of the Company</li> </ol>

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2022-23
11.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Srei Fair Disclosure Code)	The code provides the framework for following the best practices, duly compliant with applicable law, in the matter of disclosure of Unpublished Price Sensitive Information (UPSI).	<a href="https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf">https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf</a>	There has been no change to the Policy during the year
12.	Investor Grievance Redressal Policy	The policy provides mechanism for investor servicing and grievance handling.	<a href="https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf</a>	<p>Changes made –</p> <ol style="list-style-type: none"> <li>1. Role of Stakeholders Relationship Committee added as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</li> <li>2. Updated as per changes in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</li> <li>3. Pursuant to appointment of Mr. Manoj Kumar, the updation of his details as the Compliance officer of the Company w.e.f. April 01, 2022</li> <li>4. Since the Board was superseded, w.e.f. October 04, 2021, the following amendment was made :</li> </ol> <p>Any reference to the words "Board / Committee" in the Policy / Code shall be referred to as "Administrator / Core Strategic Committee / Any other Committee" till the Policy / Code is modified / revised or till the completion of CIRP</p>
13.	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.	<a href="https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf">https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf</a>	<p>Changes Made :</p> <ol style="list-style-type: none"> <li>1. Updated as per changes in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016</li> <li>2. Updated as per changes in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</li> <li>3. Entire Policy aligned as per present scenario of the Company</li> <li>4. Since the Board was superseded, w.e.f. October 04, 2021, the following amendment was made :</li> </ol> <p>Any reference to the words "Board / Committee" in the Policy / Code shall be referred to as "Administrator / Core Strategic Committee / Any other Committee" till the Policy / Code is modified / revised or till the completion of CIRP</p>
14.	Group Governance Policy	This policy lays down the governance and monitoring levels of the Company's subsidiaries and other constituents falling within Group Entities.	-	There has been no change to the Policy during the year.
15.	Policy for Determination of Materiality of any event / information	This policy is aimed at providing clear guidelines for determination of material events or information which need to be disclosed to the Stock Exchanges.	<a href="https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf">https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf</a>	There has been no change to the Policy during the year.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2022-23
16.	Dividend Distribution Policy	The policy sets out the parameters and circumstances that will be taken into account by the Board of Directors in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.	<a href="https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf</a>	There has been no change to the Policy during the year.
17.	Code of Conduct for Prohibition of Insider Trading (Srei Insider Code)	The code provides the framework for dealing with securities of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.	<a href="https://www.srei.com/sifl_corporate-policies/Code_of_Conduct_for_Prohibition_of_Insider_Trading.pdf">https://www.srei.com/sifl_corporate-policies/Code_of_Conduct_for_Prohibition_of_Insider_Trading.pdf</a>	<p>Changes made :</p> <ol style="list-style-type: none"> <li>1. Procedure for Pre Clearance has been updated</li> <li>2. Disclosures by other Connected Persons has been updated</li> <li>3. Protection against Retaliation and Victimization has been updated</li> <li>4. Entire Policy aligned as per present scenario of the Company</li> <li>5. Since the Board was superseded w.e.f. October 04, 2021, the following amendment was made :</li> </ol> <p>Any reference to the words "Board / Committee" in the Policy / Code shall be referred to as "Administrator / Core Strategic Committee / Any other Committee" till the Policy / Code is modified / revised or till the completion of CIRP</p>
18.	Business Responsibility Policy	<p>The policy is based on principles enunciated in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a Business released by the Ministry of Corporate Affairs, towards conducting business by a company.</p> <p>The policy was revised and adopted on 28th July, 2020.</p>	-	There has been no change to the Policy during the year
19.	Policy for Preservation of Documents	This policy provides the procedure and manner for preservation and destruction of documents which are required to be prepared or maintained under applicable regulations.	-	<p>Changes made :</p> <ol style="list-style-type: none"> <li>1. Documents to be maintained at the registered office updated</li> <li>2. Rationale for identification and classification of various documents broad categories - permanent in nature and for period of not less than eight years added</li> <li>3. Clause regarding destruction / disposal of various documents required to be preserved added</li> <li>4. Since the Board was superseded, w.e.f. October 04, 2021, the following amendment was made :</li> </ol> <p>Any reference to the words "Board / Committee" in the Policy / Code shall be referred to as "Administrator / Core Strategic Committee / Any other Committee" till the Policy / Code is modified / revised or till the completion of CIRP</p>

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2022-23
20.	Archival Policy	The policy provides the framework for the retention and archival of corporate records of the Company.	<a href="https://www.srei.com/sifl_corporate-policies/Archival_Policy.pdf">https://www.srei.com/sifl_corporate-policies/Archival_Policy.pdf</a>	There has been no change to the Policy during the year
21.	Investment Policy	The Policy lays down, inter alia, the guidelines to be followed by the Investment Committee to approve investments.  The policy was revised and adopted on 9th November, 2020.	-	There has been no change to the Policy during the year
22.	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.	-	There has been no change to the Policy during the year
23.	Compliance Policy	This Policy is in compliance with Reserve Bank of India ('RBI') guidelines dated April 11, 2022 setting principles, standards and procedures for Compliance Function in NBFCs taking into account existing corporate governance framework, the scale of operations, risk profile and organizational structure.	<a href="https://www.srei.com/sifl_corporate-policies/Compliance_Policy.pdf">https://www.srei.com/sifl_corporate-policies/Compliance_Policy.pdf</a>	This Policy was approved by the Administrator on 09.11.22 post review and recommendation by the Corporate Governance and Audit Committee and the Core Strategic Committee

# FINANCIAL STATEMENTS





# Independent Auditors' Report

## To the Members of Srei Infrastructure Finance Limited

### Report on the Audit of the Standalone Financial Statements

#### Disclaimer of Opinion

We were engaged to audit the Standalone Financial Statements of **Srei Infrastructure Finance Limited** ("SIFL" or "the Company"), which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows, the Statement of Changes in Equity for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

We do not express an opinion on the accompanying Standalone Financial Statements of the Company. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our Report and the uncertainties involved, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

We had issued a Disclaimer of Opinion Report basis the observations forming part of the report for the year ended 31 March, 2022.

#### Basis for Disclaimer of Opinion

- a) We draw reference to Note No. 1.2, 1.3.1 and 53 to the Standalone Financial Statements which explains that since the Administrator has taken charge of the affairs of the Company on 4 October, 2021, the Administrator is not liable or responsible for any actions prior to his appointment and regarding the information pertaining to the period prior to 4 October, 2021, he has relied upon the explanations, clarifications, certifications, representations and statements made by the Company management team ('the existing officials of the Company'), who were also part of the Company prior to the appointment of the Administrator. Note No. 53 to the Standalone 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 Insolvency and Bankruptcy Code (IBC), 2016 ("the Code"). The transaction audit has been completed and necessary impact of the same have been incorporated in the financial results of the Company's subsidiary, Srei Equipment Finance Limited (SEFL). However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any on the Standalone Financial Statements of the Company. The note explains that the Administrator as part of the Corporate Insolvency Resolution Process ('CIRP') had appointed, two (2) independent valuers to conduct the valuation of the assets of the Company and assets / collateral held as securities as required under the provisions of the Code. The valuation reports of the same have been submitted to the Consolidated Committee of Creditors (CoC) members and the same have not been made available to us on grounds of confidentiality. Accordingly, we are unable to comment on the impact of the same on the Standalone Financial Statements.
- b) We draw reference to Note No. 47 to the Standalone Financial Statements which explains that during the financial year 2019-20, the Company accounted for the slump exchange transaction and consequently recognized and derecognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with SEFL, with effect from 1 October, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of the Company obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. The Note further explains that during the financial year 2020-2021, SEFL had filed two separate applications under Section 230 of the Companies Act, 2013 ('the Act') before Kolkata Bench of the Hon'ble National Company Law Tribunal ('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 11 February, 2022.

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

- c) We draw reference to Note No. 49 to the Standalone Financial Statements which explains that the Administrator has invited the financial / operational / other creditors to file their respective claims as on 8 October, 2021. As per the said Note, admission of claims of the financial / operational / other creditors received by the Administrator is completed and the effect of the same has been given in the books of account. However, the figures of the claims admitted in the books of account might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial / operational / other creditors. Hence, adjustments, if any, arising out of such additional information, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Standalone Financial Statements.
- d) We draw reference to Note No. 5 (v) to the Standalone Financial Statements which explains that Trinity Alternative Investments Managers Limited ('Trinity') has not provided NAV as on 31 March, 2023 of two funds managed by them in which the Company has invested. The Company has valued its investments in these funds at ₹ 3,900 Lacs which is the NAV that existed as on 30 September, 2022. In the absence of NAV of the funds as on 31 March, 2023, we are unable to comment on the impact of such valuation on the Standalone Financial Statements.
- Also, we draw reference to Notes No. 5 (iii) and 5 (iv) to the Standalone Financial Statements which explains that the valuation of investment in the equity shares of India Power Corporation Limited (IPCL) and units in Infra Construction Fund (ICF) where ICF has made investments in equity shares of IPCL. Since the allotment of these equity shares of IPCL is pending due to non-compliance of SEBI Regulations by IPCL, the consequent change in fair value, if any, is not ascertainable at this stage. Accordingly, we are unable to comment on the impact on valuation of such investment on the Standalone Financial Statements.
- e) We draw reference to Note No. 13 (ii) and Note No. 14.1 to the Standalone Financial Statements which states that pursuant to its admission under the CIRP, the Company has not provided for ₹ 2,574 Lacs and ₹ 3,300 Lacs for the year ended 31 March, 2023 in respect of its obligations for interest on Inter Corporate Deposit and interest on non-convertible perpetual bond respectively since the insolvency commencement date i.e., 8 October, 2021. Had the Company provided its obligation for interest, as aforesaid, the loss before tax for the year ended 31 March, 2023 would have increased by ₹ 5,874 Lacs.
- f) We draw reference to Note No. 50 to the Standalone Financial Statements which explains the reasons owing to which the Company is not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of Corporate Social Responsibility (CSR). As stated, in the said note, the Company has

written to Ministry of Corporate Affairs (“the MCA”) seeking exemption from the obligations of the Company under provisions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Standalone Financial Statements.

- g) We draw reference to Note No. 53 to the Standalone Financial Statements which explains that the Company, as per the specific directions from Reserve Bank of India (“RBI”) in relation to certain borrowers referred to as 'probable connected parties / related parties', was advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to SEFL and also whether these were in line with arm's length principles. The erstwhile management obtained legal and accounting views on the matter which stated that the said transactions were not related party transactions. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's directions since these pertain to the period prior to the Administrator's appointment. As stated in paragraph 2(a) above, the Administrator got conducted transaction audit / review relating to the process and compliance of the Company and had also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code. Out of the Accounts referred by the RBI in the directions, the Administrator has received certain account wise transaction audit reports, which has identified some of the transactions as fraudulent in nature under Section 66 of the Code, including undervalued transactions. In respect of such accounts, the Administrator has filed applications under Section 60(5) and Section 66 of the Code before the Kolkata Bench of Hon'ble NCLT on various dates till 5 May, 2023 for adjudication. Further, the Note also states that the entire loan portfolio was transferred by SIFL to SEFL under BTA and the aforementioned transactions are appearing in the books of SEFL as on date. The transaction audit has been completed and the necessary impact of the same has been incorporated by SEFL in their financial statements. However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any on the Standalone Financial Statements of the Company.
- h) We draw reference to Note No. 15.1 to the Standalone Financial Statements which explains the reasons owing to which the Company is not able to comply with the requirements of Section 125 of the Act in relation to transfer of certain amounts lying unpaid for 7 years to Investor Education and Protection Fund ('IEPF'). As stated, in the said note, the Company has written to IEPF authorities and requested guidance in the matter. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance on the Standalone Financial Statements.
- i) We draw reference to Note No. 51 to the Standalone Financial Statements which explains the reasons owing to which the Company is not able to comply with the requirements of Section 124 of the Act in relation to transfer of shares, due for transfer to the IEPF. As stated in the said Note, the Company has requested for guidance from IEPF in the matter. We are unable to comment on the impact, if any of the same or any other consequences arising out of such non-compliance on the Standalone Financial Statements.
- j) We draw reference to Note No. 54 which states that the Company has not filed the Annual GST Reconciliation Statement - GSTR 9C for the financial years 2020-21 and 2021-22. The GST liabilities arising thereon including the amount of interest and penalty on the above is not ascertainable and accordingly, we are unable to comment on the impact of the same on the Standalone Financial Statements.
- k) We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee, Joint Lenders and transaction audit reports are confidential in nature and have not been shared with us. Accordingly, we are unable to comment on the possible financial effects on the Standalone Financial Statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.
- l) In view of the possible effects of the matters described in paragraph

5(a) to 5(k) above, we are also unable to comment on the Company's compliance on various regulatory / other ratios and consequential implications including disclosures, if any.

#### Material Uncertainty Related to Going Concern

We draw attention to Note No. 52 to the Standalone Financial Statements which states that the Company has been admitted to CIRP and that the Company has reported net loss during the year ended 31 March, 2023 and earlier year / periods as well. As a result, the Company's net worth has eroded and it has not been able to comply with various regulatory / other ratios, etc. All these have impacted the Company's ability to continue its operations in normal course in future. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Company's ability to continue as a 'going concern' in the foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Standalone Financial Statements on a going concern basis.

#### Emphasis of Matters

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

- a) Note No. 48 to the Standalone 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 subsidiary, SEFL, the Administrator, after adopting proper procedure, has filed applications before the Hon'ble NCLT, Kolkata Bench, seeking, amongst other things, consolidation of the corporate insolvency processes of SIFL and SEFL. The application in this matter is admitted and the final order received on 14 February, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL. The Consolidated CoC took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on 18 January, 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 15 February, 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 18 February, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.
- b) Note No. 13 (ii) to the Standalone Financial Statements which explains that considering the restrictions imposed by the lenders on the related party payments, the Company had received consent for waiver of interest on Inter Corporate Deposit taken by SIFL from SEFL. Accordingly, the Company has not accounted for interest of ₹ 2,686 Lacs for the year ended 31 March, 2022.
- Note no. 14.1 to the Standalone Financial Statements which explains that the Company had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, the Company has not accrued interest of ₹ 3,300 Lacs for the year ended 31 March, 2022.
- c) Note No. 5 (viii) to the Standalone Financial Statements which explains that the Company during the year ended 31 March, 2022 on behalf of SEFL, had invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL') which were pledged as security against the loan availed by one of the borrowers of SEFL. As on 31 March, 2023, these shares appear in the demat statement of the Company, whereas the borrower was transferred to SEFL pursuant to BTA. Further, the entire shares have been sold on 11 April, 2023 and the same have been transferred to the demat account of purchaser on 26 April, 2023. SEFL never had any intention to exercise any control / significant influence over STPL in terms of Ind AS 110 / Ind AS 28. SEFL has taken an expert opinion, which confirms that since SEFL is not exercising any significant influence / control over STPL, hence, STPL is not a subsidiary / associate in terms of Ind AS 110 / Ind AS 28 and accordingly is not required to prepare

consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.

- d) Note No. 27 to the Standalone Financial Statements which explains that SEBI vide its Adjudication Order No. Order/DS/DK/2022-23/20903-20964 dated 31 October, 2022 ('Order'), in the matter of Religare Enterprises Limited had imposed a penalty of ₹ 35 Lacs on the Company payable within 45 days from the date of receipt of the Order. However, vide its Corrigendum to Order dated 30 November, 2022, SEBI has clarified that the said period of 45 days shall not be applicable in respect of the Company due to the CIRP proceedings pending against it. The said penalty is payable subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Dewan Housing Finance Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020). Hence, no provision has been made in the books of account.
- e) Note No. 32 to the Standalone Financial Statements which states that based on the information available in the public domain, forensic audit was conducted on the Company and few lenders have declared the bank account of the Company as fraud. However, in case of one of the lenders, on the basis of petition filed by the ex-promoter before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated 22 April, 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 22 April, 2022 continued till the next date of hearing i.e., 15 May, 2023. However, further update is not available on public domain as on date.
- f) Note No. 59 to the Standalone Financial Statements which states that the Enforcement Directorate (ED) on 31 January, 2023 conducted simultaneous investigations on office premises of the Company and SEFL. The outcome of the same is pending.
- g) Note No. 58 to the Standalone Financial Statements which states that the Ministry of Corporate Affairs (MCA) vide its letter dated 18 April, 2023 has initiated inspection into the affairs of the Company under Section 206(5) of the Act and the same is in progress.

#### **Responsibilities of the Administrator and the Existing Officials of the Company for the Standalone Financial Statements**

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

The RBI had also filed application for initiation of 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 NCLT. Hon'ble NCLT vide its order dated 8 October, 2021 admitted the application filed by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of the Company shall vest in the Administrator. Further, RBI has also retained the three - member Committee of Advisors, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

We refer to Note No. 1.3.1 to the Standalone Financial Statements which states that the Standalone Financial Statements have 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 8 October, 2021. Further Note No. 1.3.1 also explains that since the Administrator has taken charge of the affairs of the Company on 4 October, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to 4 October, 2021, he has relied upon the explanations, clarifications, certifications, representations and statements

made by the existing officials of the Company, who were also part of the Company prior to the appointment of the Administrator.

The Administrator and the existing officials of the Company ("the Management") are responsible for the matters stated in Section 134(5) of the Act with respect to preparation and presentation of these Standalone 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 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 with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 Financial Statements, the Management of the Company 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 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 Standalone Financial Statements**

Our responsibility is to conduct an audit of the Company's Standalone 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 Standalone 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 Standalone Financial Statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

#### **Report on Other Legal and Regulatory Requirements**

- I. 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, to the extent applicable which is subject to the possible effect of the matters described in the "Basis for Disclaimer of Opinion" section above and the material weaknesses described in the "Basis for Disclaimer of Opinion" section in our separate Report on the Internal Financial Controls over Financial Reporting.
- II. 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. However, to the extent as described in the "Basis for Disclaimer of Opinion" section of this Report, we were unable to obtain such information and explanations.
  - (b) Due to the effects / possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this Report and more particularly paragraph 2(b) of the same in relation to the uncertainties regarding the accounting of BTA, we are unable to comment on maintenance of proper books of account, as required

by law, by the Company so far as it 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 effects / possible effects of the matter described in the "Basis for Disclaimer of Opinion" section of this Report, we are unable to state whether the aforesaid Standalone 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" sections above, in our opinion may have an adverse effect on the functioning of the Company.
  - (f) We have been explained that RBI vide press release dated 4 October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the 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. Consequently, the Company has filed form DIR-12 and form GNL 2 on 11 October, 2021 and 1 February, 2022 respectively in respect of vacation of office of the erstwhile directors of the Company. Accordingly, reporting in terms of Section 164(2) of the Act is not required.
  - (g) The reservation or adverse remarks 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, read with paragraph 2(b) above.
  - (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 B" which expresses a disclaimer of opinion on the Company's internal financial controls with reference to the financial statements of the Company for the reasons stated therein.
  - (i) 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. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this Report and in the absence of confirmations from the legal counsels / lawyers of the Company, we are unable to state whether the Company has disclosed the impact of all pending litigations on its financial position in its Standalone Financial Statements - Refer Note No. 27 on contingent liabilities in the Standalone 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. 15.1 and Note no. 51 to the Standalone Financial Statements of the Company and paragraphs (h) and (i) of the "Basis for Disclaimer of Opinion" section of this Report, the Company has not been able to transfer the amounts which were required to be transferred to the Investor Education and Protection Fund as on 31 March, 2023;
  - iv. (a) The Management of the Company has represented that, to the best of their 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 (Refer Note No. 35(A) to the Standalone Financial Statements);
    - (b) The Management of the Company has represented, that, to the best of their 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 (Refer Note No. 35(B) to the Standalone Financial Statements) and;
    - (c) Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of our Report, we are unable to comment whether the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under points (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared / paid any dividend during the year. Hence, reporting the compliance with Section 123 of the Act is not applicable.
  - 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 31 March, 2023.
- III. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act: During the year, the Company has not paid or provided any managerial remuneration to its directors. Further, the RBI vide press release dated 4 October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the RBI Act superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act.

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

**Manoj Kumar Roongta**  
Partner  
Membership No : 057761  
UDIN : 23057761BGZDZE8689

Place : Kolkata  
Date : 16 May, 2023

## Annexure - A to Independent Auditors' Report

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Standalone Financial Statements for the year ended 31 March, 2023].

In view of the significance of the matters described in "Basis for Disclaimer of opinion" section of our Independent Auditor's Report of even date and the uncertainties involved, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Standalone Financial Statements and hence we do not express any opinion on the Standalone Financial statements of the Company for the year ended 31 March, 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 Auditor's report as stated above and the various matters stated therein.

Accordingly, we report that -

Description of property	Gross carrying value (₹ in Lacs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Building (Saket, New Delhi)	8,747.34	South Lake Properties Pvt Ltd / PushpVihar properties Pvt Ltd / Koshika Properties Pvt Ltd / Wales Properties Pvt Ltd	No	Since 29 September, 2010	Conveyance Deed is pending

There are 4 buildings, gross value of which is ₹ 3,954 Lacs whose title deeds are in the name of the company. These immovable properties were transferred to SEFL pursuant to Business Transfer Agreement ('BTA') (refer Note No. 47 to the Financial Statements) entered by the Company with SEFL.

- (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 3(i)(d) of the Order is not applicable to the Company.
- (e) As informed to us, to the best of the knowledge of the management of the Company, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and Rules made thereunder. 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 31 March, 2023 for holding any benami property under the Benami Act.
- ii. (a) The Company does not have any inventory. Accordingly, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of our books of records of the Company, the Company has not been sanctioned any working capital limits from any banks or financial institutions during any point of time of the year under review. Accordingly, reporting under Clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us and based on the audit procedures conducted by us during the year, the Company has not made investments in, provided any guarantee or security or

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of Right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to information and explanations given to us, the management of the Company has physically verified its Property, Plant and Equipment and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Note No. 10 to the Standalone Financial Statements are held in the name of the Company, except for the details given below :

- granted any loans or advances in the nature of loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties during the year. Accordingly, reporting under Clause 3(iii)[(a), (b), (c), (d), (e) and (f)] of the Order are not applicable to the Company.
- iv. According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities in contravention of provisions of Section 185 of the Act. The Company has not made any loans or securities to the parties covered under Section 186 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable.
- v. The Company being a Non-Banking Finance Company registered with the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits are not applicable. Accordingly, reporting under Clause 3(v) of the Order is not applicable.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) Section 148 of the Act for the Company. Therefore, the provision of clause 3(vi) of the order is not applicable on the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues, as applicable, to the appropriate authorities, except in the case of the following statutory dues which are outstanding as at the year-end for a period of more than six months from the date they became payable :

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Goods & Services Tax Act, 2017*	GST	37.70	FY 2020-21	20 April, 2021	Not yet paid**	
Income Tax Act, 1961	TDS	44.60	FY 2020-21	30 April, 2021	Not yet paid**	
Income Tax Act, 1961	TDS	1.05	FY 2020-21	07 March, 2021	Not yet paid**	
The Employees Provident Funds & Miscellaneous Provisions Act, 1952	PF	0.71	FY 2020-21	15 April, 2021	Not yet paid**	Refer Note 1.2
West Bengal State Tax on Professions, Trades, Callings & Employments Act, 1979	PTAX	0.002	FY 2020-21	21 April, 2021	Not yet paid**	

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

\*\*As informed by the Company, Trust and 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 1.2 to the Standalone Financial Statements, 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) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of statutory dues referred in sub-clause (a) above which have not been deposited on account of any dispute are as follows :

Name of Statute	Nature of dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Income tax	471	FY 2005-06 & FY 2006-07	Supreme Court of India
Income Tax Act, 1961	Income tax	125	FY 2006-07 & FY 2007-08	CIT (Appeals), Kolkata
Income Tax	Income tax	529	FY 2007-08 & FY 2010-11	Calcutta High Court
Income Tax Act, 1961	Income tax	76	FY 2007-08	Assessing Officer
Income Tax Act, 1961	Income tax	1809	FY 2008-09	Supreme Court of India
Income Tax Act, 1961	Income tax	1938	FY 2011-12	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	1283	FY 2013-14	CIT(Appeals), Kolkata
Income ax Act, 1961	Income tax	1427	FY 2014-15	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	97	FY 2015-16	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax on Fringe benefits	226	FY 2005-06 to FY 2008-09	Calcutta High Court
Income Tax Act, 1961	Income tax	510	FY 2016-17	National Faceless Appeal Centre ("NFAC") / CIT (Appeals)
Income Tax Act, 1961	Income tax	1091	FY 2017-18	National Faceless Appeal Centre ("NFAC") / CIT (Appeals)
Finance Act, 1964	Service Tax	302.36	FY 2008-09 to FY 2009-10	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Kolkata
Finance Act, 1964	Service Tax	79.79	FY 2011-12 to FY 2014-15	CGST & CX Commissioner Appeal - 1, Commissionerate of Kolkata and Settlement Commission under SVLDRS Scheme
West Bengal VAT	Central Sales Tax	211.43	FY 2010-11	West Bengal Sales Tax Appellate and Revisional Board, Kolkata
Finance Act, 1994	Service Tax	4262.62	FY 2015-16	CGST & CX Commissioner, North Commissionerate, Kolkata

\*In terms of BTA (Refer Note No. 47 to the Standalone Financial Statements) entered by the Company with its wholly owned Subsidiary, Srei Equipment Finance Limited ("SEFL"), the Company is holding all the aforesaid dues on behalf of SEFL. In case of any future liability arising on the Company in relation to the aforesaid dues, the Company will recover the same from SEFL as per the terms of BTA. Also, refer Note No. 27 to the Standalone Financial Statements.

- 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 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 Standalone Financial Statements, the Company was admitted to CIRP on 08 October, 2021 and accordingly no payments can be made thereafter to the lenders in respect of Intercompany deposit ₹ 25,671 Lacs and Non-convertible perpetual bond ₹ 33,000 Lacs, until the resolution process is concluded.
- With respect to payment of interest of Intercompany deposit from SEFL ₹ 2,574 Lacs and Non-convertible perpetual bond ₹ 3,300 Lacs, as stated in Notes No. 13(ii) and 14.1 to the Standalone Financial Statements respectively, the Company has not accounted for interest for the year ended 31 March, 2023 pursuant to the admission of the Company under the CIRP.
- (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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not taken any term loans from any lender. Accordingly, Clause 3 (ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, the Company did not obtain any money by way of short-term loans during the year. Accordingly, reporting under Clause 3 (ix) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries under the Act. The Company does not hold any investment in any joint venture or associates (as defined under the Act) during the year ended 31 March, 2023.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any joint venture or associates (as defined under the Act) during the year ended 31 March, 2023.
- x. (a) The Company has not raised any money by way of initial public offer / further public offer (including debt instruments) during the year. Accordingly, reporting under Clause 3 (x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, reporting under Clause 3 (x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management. Refer point (e) under "Emphasis of Matters" section of our Independent Auditor's Report of even date and Note no. 32 to the Standalone Financial Statements which states that based on the information available in the public domain, few lenders have declared the bank account of the Company as fraud upon completion of forensic audit conducted on the Company. Report of such forensic audit or any correspondence / order from Banks / any other institution declaring the Company's fraud have not been made available to us, hence, we are not in a position to comment whether or not the Company was involved in any fraudulent activity during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT - 4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government, during the year and upto the date of this report. Further, as informed by the Company, the Secretarial Auditor of the Company has 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 and upto the date of this report. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the 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 transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in Note No. 43 to the Standalone Financial Statements as required by the applicable Indian Accounting Standard 24 "Related Party Disclosures". Refer paragraph (g) of the "Basis for Disclaimer of Opinion" section of our Independent Auditor's Report of even date on the Standalone 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 Company has obtained the required registration.
- (b) The Company has not conducted any non-banking financial or housing finance activities without having a valid Certificate of Registration from the Reserve Bank of India as per the RBI Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined

in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3 (xvi)(c) of the Order is not applicable to the Company.

- (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 16, 2023 on the Standalone 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. There has been no resignation of the statutory auditors during the year and accordingly reporting under Clause 3 (xviii) of the Order is not applicable to the Company.

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 Standalone 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 Standalone financial statements of the Company, regarding the applicability of the going concern assumptions.

- 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 ongoing projects" (₹ in Lacs)	Unspent amount of (b) (₹ in Lacs)	Amount Transferred to Fund specified in Sch VII of the Act (₹ in Lacs)	Due date of transfer to the specified fund	Actual date of transfer to the specified fund	Number of days of delay
(a)	(b)	(c)	(d)	(e)	(f)	(g)
2020-21	78	53	-	September 30, 2021	*	

\*Refer paragraph (f) of "Basis of Disclaimer of opinion" section of our independent Auditors'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 3 (xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this Report.

**For D. K. Chhajer & Co.**  
Chartered Accountants  
Firm Registration No. 304138E

**Manoj Kumar Roongta**  
Partner  
Membership No. 057761  
UDIN : 23057761BGZDZE8689

Place : Kolkata  
Date : 16 May, 2023



## Annexure - B to Independent Auditors' Report

[Referred to in paragraph II(h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Standalone Financial Statements for the year ended 31 March, 2023]

### **Report on the Internal Financial Controls with reference to the Standalone 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 Srei Infrastructure Finance Limited ("the Company") as of 31 March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### **Responsibilities of the Administrator and the Existing Officials of the Company for Internal Financial Controls**

As stated in "Responsibilities of the Administrator and the Existing Officials of the Company for the Standalone 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 the Standalone 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 Standalone 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 the Standalone 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 Standalone 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 Standalone 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 31 March, 2023. Accordingly, we do not express an opinion on the internal financial controls with reference to the 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 Standalone Financial Statements of the Company, which comprise of the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Standalone 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 Standalone Financial Statements of the Company for the year ended 31 March, 2023 and this report affects our report dated 16 May, 2023 which expresses a disclaimer of opinion on the Standalone Financial Statements of the Company.

**For D. K. Chhajer & Co**  
Chartered Accountants  
Firm Registration No. 304138E

**Manoj Kumar Roongta**  
Partner  
Membership No. 057761  
UDIN : 23057761BGZDZE8689

Place : Kolkata  
Date : 16May, 2023

# Balance Sheet

as at 31st March, 2023

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalents	2	3,719	1,100
(b) Bank Balance other than (a) above	3	265	253
(c) Receivables			
- Trade Receivables	4	663	1,078
(d) Investments	5	44,048	28,446
(e) Other Financial Assets	6	144	566
<b>(2) Non-Financial Assets</b>			
(a) Current Tax Assets (Net)	8	5,332	7,960
(b) Deferred Tax Assets (Net)	9	-	-
(c) Property, Plant and Equipment	10	9,187	9,421
(d) Right-of-use Assets		1	1
(e) Intangible Assets	11	1	3
(f) Other Non-Financial Assets	7	45	157
<b>TOTAL ASSETS</b>		<b>63,405</b>	<b>48,985</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Trade Payables	12		
(i) Total outstanding dues of micro enterprises and small enterprises		40	35
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		641	1,100
(b) Borrowings (Other than Debt Securities)	13	25,671	25,723
(c) Subordinated Liabilities	14	33,000	33,000
(d) Lease Liabilities		2	2
(e) Other Financial Liabilities	15	16,044	16,377
<b>(2) Non-Financial Liabilities</b>			
(a) Provisions	16	6	12
(b) Deferred Tax Liabilities (Net)	9	-	-
(c) Other Non-Financial Liabilities	17	68	148
<b>(3) Equity</b>			
(a) Equity Share Capital	18	50,309	50,309
(b) Other Equity	19	(62,376)	(77,721)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>63,405</b>	<b>48,985</b>

Significant Accounting Policies and Notes to Financial Statements.  
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.

1 to 61

**For D. K. Chhajer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 304138E

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

Place : Kolkata  
Date : 16th May, 2023

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

**Rajneesh Sharma**  
Administrator Appointed Under IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Ltd 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 - sreiaadministrator@srei.com

# Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>Revenue from Operations</b>			
(i) Interest Income	20	139	14
(ii) Dividend Income*		100	0
(iii) Rental Income		403	396
(iv) Fees and Commission Income		1,290	2,361
<b>(I) Total Revenue from Operations</b>		<b>1,932</b>	<b>2,771</b>
(II) Other Income	21	211	459
<b>(III) Total Income (I+II)</b>		<b>2,143</b>	<b>3,230</b>
<b>Expenses</b>			
(I) Finance Costs	22	19	158
(ii) Fees and Commission Expense		764	1,849
(iii) Impairment on Financial Instruments (Net)	23	194	457
(iv) Employee Benefits Expenses	24	276	484
(vi) Depreciation, Amortisation and Impairment Expense	10,11	235	613
(vi) Administrative and Other Expenses	25	931	1,022
<b>(IV) Total Expenses (IV)</b>		<b>2,419</b>	<b>4,583</b>
(V) Profit / (Loss) Before Exceptional items and Tax (III-IV)		(276)	(1,353)
(VI) Exceptional items		-	-
(VII) Profit / (Loss) Before Tax (V-VI)		(276)	(1,353)
(VIII) Tax :			
(a) Current Tax		-	-
(b) Income Tax in respect of earlier year		5	(2,926)
(c) Deferred Tax		-	-
(IX) Profit / (Loss) after Tax (XIII-XIV)		(281)	1,573
<b>(X) Other Comprehensive Income / (Expense)</b>			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement Gains / (Losses) on Defined Benefit Plan		24	23
(b) Gains / (Losses) on Equity Instruments through Other Comprehensive Income		15,602	(32,730)
(ii) Tax related to above		-	-
<b>Total Other Comprehensive Income / (Expense) (XVI)</b>		<b>15,626</b>	<b>(32,707)</b>
<b>(XI) Total Comprehensive Income / (Expense) (XV + XVI)</b>		<b>15,345</b>	<b>(31,134)</b>
<b>(XII) Earnings per Equity Share (Face value of ₹ 10/- each)</b>	26		
- Basic and Diluted Earnings per Equity share		<b>(0.06)</b>	<b>0.31</b>

\*Amount mentioned as '0' is below rounding off threshold adopted by the Company.

Significant Accounting Policies and Notes to Financial Statements.  
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.

1 to 62

**For D. K. Chhajer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 304138E

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

Place : Kolkata  
Date : 16th May, 2023

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

**Rajneesh Sharma**  
Administrator Appointed Under IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Ltd 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 - sreiaadministrator@srei.com

# Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit / (Loss) Before Tax</b>	<b>(276)</b>	<b>(1,353)</b>
Adjustments for :		
Interest on Income Tax Refund	(149)	(207)
Liabilities No Longer Required written back	(58)	(237)
Impairment on Financial Instruments (Net)	194	457
Foreign exchange (Gain) / Loss	(2)	-
Depreciation, Amortisation and Impairment	235	613
<b>Operating profit / (loss) before working capital changes</b>	<b>(56)</b>	<b>(727)</b>
<b>Changes in Working Capital</b>		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	755	(715)
Increase / (Decrease) in Trade Payables and Others Liabilities	(790)	(1,266)
Increase / (Decrease) in Other Bank Balances	(12)	1,745
<b>Cash generated / (used) in operations</b>	<b>(103)</b>	<b>(963)</b>
Direct Taxes Refund / (Paid)	2,774	2,661
<b>Net Cash (used in) / generated from Operating Activities</b>	<b>2,671</b>	<b>1,698</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment, and Intangible Assets	-	(1)
(Increase) / Decrease in Investments (Other than Subsidiaries)	-	9
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>-</b>	<b>8</b>
<b>C. Cash Flows from Financing Activities</b>		
(Repayment of) / Proceeds from intercorporate deposit	(52)	(2,331)
Dividend Paid (including Corporate Dividend Tax)	-	(6)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(52)</b>	<b>(2,337)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>2,619</b>	<b>(631)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1,100</b>	<b>1,731</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>3,719</b>	<b>1,100</b>

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

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash and Cash Equivalents at the end of the year</b>		
(a) Cash on hand	0	0
(b) Balances with Banks - in Current Account	106	599
(c) Fixed Deposits with original maturity period less than three months	3,613	501
	<b>3,719</b>	<b>1,100</b>

## 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'.
- Previous year figures have been rearranged / regrouped wherever necessary to conform to the current year's classification.

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

### For D. K. Chhajer & Co.

Chartered Accountants  
ICAI Firm Registration No. 304138E

### Manoj K Roongta

Partner  
Membership No. 057761

Place : Kolkata  
Date : 16th May, 2023

### For and on behalf of Srei Infrastructure Finance Ltd.

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

### Rajneesh Sharma

Administrator Appointed Under IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Ltd 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 - sreiaadministrator@srei.com

# Statement of Changes in Equity

for the year ended 31st March, 2023

## A. Equity Share Capital

	Balance as at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April, 2022	Changes in equity share capital during the current year	Balance as at 31st March, 2023
	50,309	-	50,309	-	50,309
	Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April, 2021	Changes in equity share capital during the current year	Balance as at 31st March, 2022
	50,309	-	50,309	-	50,309

## B. Other Equity

Particulars	Reserves and Surplus						Items of other comprehensive Income	Total
	Special Reserve (pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)	Income Tax Special reserve (pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
<b>Balance as at the 1st April, 2021</b>	27,197	14,606	1,960	19,754	1,39,604	(2,57,398)	7,690	(46,587)
Profit for the year	-	-	-	-	-	1,573	-	1,573
Other Comprehensive Income (net of tax) *	-	-	-	-	-	23	(32,730)	(32,707)
Reclassification from OCI to retained earnings on cumulative disposal	-	-	-	-	-	-	-	-
Transfer from / to retained earnings	315	-	-	-	-	(315)	-	-
<b>Balance as at 31st March, 2022</b>	<b>27,512</b>	<b>14,606</b>	<b>1,960</b>	<b>19,754</b>	<b>1,39,604</b>	<b>(2,56,117)</b>	<b>(25,040)</b>	<b>(77,721)</b>
Balance as at the 1st April, 2022	27,512	14,606	1,960	19,754	1,39,604	(2,56,117)	(25,040)	(77,721)
Profit for the year	-	-	-	-	-	(281)	-	(281)
Other Comprehensive Income (net of tax) *	-	-	-	-	-	24	15,602	15,626
Reclassification from OCI to retained earnings on cumulative disposal	-	-	-	-	-	-	-	-
Transfer from / to retained earnings	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>27,512</b>	<b>14,606</b>	<b>1,960</b>	<b>19,754</b>	<b>1,39,604</b>	<b>(2,56,374)</b>	<b>(9,438)</b>	<b>(62,376)</b>

\* Includes gain for ₹ 24 Lacs (Previous year: ₹ 23 Lacs) on account of remeasurement of defined benefit plans.

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

### As per our report of even date

**For D. K. Chhajjar & Co.**

Chartered Accountants  
ICAI Firm Registration No. 304138E

**Manoj K Roongta**

Partner

Membership No. 057761

Place: Kolkata

Date: 16th May, 2023

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Ltd 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 - sreiaadministrator@srei.com

**For and on behalf of Srei Infrastructure Finance Ltd.**

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

**Rajneesh Sharma**

Administrator Appointed Under IBC

# Srei Infrastructure Finance Limited

## Notes to the financial Statements

### 1. CORPORATE INFORMATION

#### 1.1 Background and General Information

Srei Infrastructure Finance Limited (the 'Company') is a public limited Company domiciled in India under the Companies Act, 2013 and is a Public Financial Institution (PFI). The Company is holding RBI's Certificate of Registration to carry on the business of non-banking financial institutions - Infrastructure Finance Company – Non Deposit Taking. The Company has received communication from RBI, to reclassify it as Investment and Credit Company for which the company has made representation to RBI that the Company is under CIRP (Refer Note :1.2 below), the Company shall take suitable action post completion of CIRP.

The Company's shares are listed on NSE Limited and BSE Limited. The registration details are as follows :

RBI	B-05.02773 / dt. 31st March, 2011
Corporate Identity Number (CIN)	L29219WB1985PLC055352

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 the Insolvency and Bankruptcy Code (IBC) on 16th May, 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 04th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Srei Infrastructure Finance Limited ('the Company' or 'SIFL') and its wholly owned subsidiary, Srei Equipment Finance Ltd. ('SEFL') and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, the RBI in exercise of powers conferred under Section 45-IE (5) (a) of the RBI Act, constituted a three - member Advisory Committee to assist the Administrator in discharge of his duties. Thereafter, the RBI filed applications for initiation of Corporate Insolvency Resolution Process ('CIRP') against the Company under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated 08th October, 2021 admitted the application made by the RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. 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 have been changes in the composition of the Advisory Committee on 22nd June, 2022 and 31st January, 2023. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on 18th January, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated Committee of Creditors (CoC) took on record the results of the e-voting in CoC meeting held on 15th February, 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 18th February, 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.

#### 1.3. Significant Accounting Policies

##### 1.3.1 Basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under 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 13th March, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

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

The preparation of these financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in Note No. 1.3.21 '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 Lacs, except otherwise indicated.

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

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

These audited financial statements of the Company for the year ended 31st March, 2023 have been taken on record by the Administrator on 16th May, 2023 while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI press release dated 04th October, 2021 and subsequently, powers conferred upon him in accordance with Hon'ble NCLT order dated 08th October, 2021. It is also incumbent

upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company as a going concern.

Since the Administrator has taken charge of the affairs of the Company on 04th October, 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 04th October, 2021. Regarding information pertaining to period prior to 04th October, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by the Company management team ('the existing officials of the Company'), who were also part of the Company prior to the appointment of the Administrator.

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

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

The 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. 1.3.2 to 1.3.22.

### 1.3.2 Investments in Subsidiaries and Associates

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company has accounted for its equity instruments in Subsidiaries and Associates at cost, less accumulated impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

### 1.3.3 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 from financial assets is recognized applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit - impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.3.15.

Any subsequent changes in the estimation of the future cash

flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

- (b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.3.15.
- (c) Interest Income on credit impaired financial assets is recognized by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.
- (d) 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.
- (e) Rental income arising from non - cancellable operating leases is recognised on a straight - line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.
- (f) Revenue from Contract with Customers :

Fees and Commission Income are recognized when transfer of control of promised services to customers in an amount that reflects that the consideration the Company expects to receive in exchange for those services. Revenue is recognised from management and consultancy services as and when related services are rendered and performance obligation is satisfied which is based on a five - step model as set out below, unless included in the effective interest calculation :

Step 1 : Identify contract(s) with a customer : A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 : Identify performance obligations in the contract : A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 : Determine the transaction price : The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 : Allocate the transaction price to the performance obligations in the contract : For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 : Recognise revenue when (or as) the Company satisfies a performance obligation.

Satisfaction of performance obligation in some cases require acknowledgement / acceptance of service by the Customer.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

### 1.3.4 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.

#### (i) 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. Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term based on interest rate implicit in the lease.

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

For the revenue recognition policy on Lease Contracts, Refer Note No. 1.3.3 (e).

#### (ii) The Company as lessee

The Company's 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 recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low - value assets and short - term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset less any lease incentive received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet.

### 1.3.5 Foreign currency translation

#### (i) Functional and presentational currency

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.

#### (ii) Transactions and balances

Initial recognition :

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion :

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Foreign currency changes for non-monetary items measured at FVTOCI are recognised in other comprehensive income.

#### 1.3.6 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.

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

#### 1.3.7 Employee Benefits

##### (i) Retirement benefit costs and other employee benefits

###### (A) Defined Contribution Plans :

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognized as expenditures as they fall due based on the amount of contribution required to be made and when an employee renders related services.

###### (B) Defined Benefit Plans :

A defined benefit plan is a post - employment benefit plan other than a defined contribution plan. The Group 's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.



The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss when the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**(C) Short - term employee benefits :**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including non-monetary benefits, annual leave and sick leave in the period in which related service is rendered.

Liabilities recognised in respect of short - term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**(D) Other long - term employee benefits (unfunded) :**

The cost of providing other long term employee benefits is calculated using the Projected Unit Credit Method, and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement actuarial gains and losses and past service cost are recognised immediately in the statement of profit and loss for the period in which they occur. Other long term employee benefit obligation recognised in the balance sheet represents the present value of related obligation.

**1.3.8 Taxation**

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

**(i) 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 current tax is calculated using tax rates that have been enacted or substantially enacted at the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**(ii) 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

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.

**(iii) 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.

**1.3.9 Property, Plant and Equipment**

Property, plant and equipment shown in the balance sheet consists of assets used in the provision of services or for administrative purposes, and include assets leased by the Company as lessor under operating leases.

**Initial and subsequent recognition**

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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.

### **Derecognition**

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. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### **Depreciation**

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. 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.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

Leasehold assets including improvements are amortised over the shorter of lease period and their useful life on the same basis as owned assets.

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

#### **1.3.10 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 2 - 6 years, which reflects the managements estimate.

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.

#### **1.3.11 Impairment of Non-Financial Assets**

##### **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 on a shorter period 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.

#### **Investment in Subsidiaries and Associates**

The 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 recognised impairment loss is adjusted in 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.

#### **1.3.12 Provisions, Contingent Liabilities and Contingent Assets**

##### **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.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

In case of litigations, provision is recognised once it has been established that the Company has a present obligation based on information available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

### Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. Company does not recognise contingent liability but discloses its existence in the financial statements.

### Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

#### 1.3.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, 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 changes in value.

#### 1.3.14 Segment Reporting

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the 'Chief Operating Decision Making Group' (CODMG) as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. CODMG examines the Company's performance both from business and geographical perspective and has considered business segment as primary segment for disclosure.

#### 1.3.15 Financial Instruments :

##### (i) 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 fair value through other comprehensive income;
3. Financial assets to be measured at fair value through profit or loss account.

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 fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

##### (ii) 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.

##### (iii) 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.

##### (iv) Subsequent Measurement :

###### (A) Financial Assets

###### Financial Assets carried at Amortised Cost (AC) :

These financial assets comprise bank balances, Loans, Trade receivables, Other receivables, investments and other financial assets.

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.

###### Effective Interest Rate (EIR) Method :

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

The EIR for financial assets or financial liability is computed

- a. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- b. Including fees and transaction costs that are integral part of EIR.

**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 neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' 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 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 as AC 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 as at FVTPL.

Any differences between the fair values of financial assets classified as FVTPL and held by the Company on the balance sheet date is recognised in the statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" 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 recognised in the statement of Profit and Loss are the same as the amount would have been recognised in case the debt instrument is measured at amortised cost.

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 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.

**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 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 may be 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.

**(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 fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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 Instruments".

#### 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 guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### 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.

#### (v) 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.

#### (vi) 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, maximizing the use of relevant observable inputs and minimizing 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 :** 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 :** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly 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 :** Those that include one or more unobservable input that is significant to the measurement as whole.

#### (vii) Overview of the Expected Credit Loss (ECL) principles

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. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application

of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of the Company was not available and hence ECL for non-funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and / or expected realisable value of security / collateral. Additionally, the company carries out reviews for specifically identified exposures as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

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 at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in other comprehensive income with a corresponding effect to the statement of profit and loss but is not reduced from the carrying amount of the financial asset in the balance sheet; so the financial asset continues to be presented in the balance sheet at its fair value.

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 lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. 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.

### 1.3.16 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 note to the financial statements.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

#### 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.

### 1.3.17 Hedge Accounting

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedging instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge. Furthermore, on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

#### (i) Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of Profit or Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in statement of Profit and Loss in the line item relating to the 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. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### (ii) 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 other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to the statement of Profit and Loss in the periods when the hedged item affects the statement of Profit and Loss.

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 other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the underlying transaction is ultimately recognised in the statement of Profit and Loss. When an underlying transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of Profit and Loss.

### 1.3.18 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included 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 asset and settle the liability simultaneously.

### 1.3.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average

number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.3.20 Dividend

Dividends paid are recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in equity.

### 1.3.21 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes :

#### (i) Impairment charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.3.15 (vii) Overview of ECL principles.

#### (ii) 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 fair value through other comprehensive income 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.

#### (iii) Provisions other than loan impairment

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.

#### (iv) 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.

#### (v) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

#### (vi) EIR method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life - cycle of the instruments, as well expected changes to India's base rate and other fee income / expense that are integral parts of the instrument.

#### (vii) Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

### 1.3.22 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below :

#### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact in its Standalone financial statements.

#### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01st April, 2023. The Company does not expect the amendment to have any significant impact in its Standalone financial statements.

#### Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01st April, 2023. The Company does not expect the amendment to have any significant impact in its Standalone financial statements.

# Notes to the Financial Statements

for the year ended 31st March, 2023

## 2. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand *	0	0
Balances with Banks - in Current Account	106	599
Fixed Deposits with banks having maturity of 3 months or less (including accrued interest)	3,613	501
<b>Total</b>	<b>3,719</b>	<b>1,100</b>

\*Amount mentioned as '0' is below rounding off threshold adopted by the Company.

### (i) Changes in Cash Flow from financing activities

(₹ in Lacs)

Particulars	As at 31st Mar, 2022	Movement		As at March 31, 2023
		Cash	Non-Cash	
Borrowings (Other than Debt Securities)	25,723	(52)	-	25,671
Subordinated Liabilities	33,000	-	-	33,000
<b>Total</b>	<b>58,723</b>	<b>(52)</b>	<b>-</b>	<b>58,671</b>

(₹ in Lacs)

Particulars	As at 31st Mar, 2021	Movement		As at March 31, 2022
		Cash	Non-Cash	
Borrowings (Other than Debt Securities)	28,055	(2,332)	-	25,723
Subordinated Liabilities	33,000	-	-	33,000
<b>Total</b>	<b>61,055</b>	<b>(2,332)</b>	<b>-</b>	<b>58,723</b>

## 3. Bank Balance other than Note No. 2 above

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed Dividend Accounts	24	24
Fixed Deposits with banks having original maturity of more than 3 months (Including accrued interest for fixed deposits)*	241	229
<b>Total</b>	<b>265</b>	<b>253</b>

\* Includes

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Under Lien** :		
- Bank Guarantees	145	229

\*\* There is no outstanding towards unclaimed public deposit & interest thereon as on 31st March, 2023. However, the fixed deposit created under lien for their repayment is yet to be redeemed.

### 4.1 Trade Receivables :

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Considered good - Secured;	-	-
Less : Allowance for impairment loss allowance	-	-
(a) Considered good - Unsecured;	834	1,540
Less : Allowance for impairment loss allowance	171	462
	663	1,078
(c) Significant increase in credit risk	-	-
Less : Allowance for impairment loss allowance	-	-
(d) Credit impaired	2,486	2,005
Less : Allowance for impairment loss allowance	2,486	2,005
	-	-
<b>Total (a+b+c+d)</b>	<b>663</b>	<b>1,078</b>

i. 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 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.



# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

ii. Movements in Expected Credit Losses Allowance is as below :

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	2,467	2,033
Charge in Statement of Profit and Loss	190	434
Utilized during the year	-	-
Balance at the end of the year	2,657	2,467

iii. Ageing of Trade Receivables and Credit Risk arising therefrom is as below :

Particulars	(₹ in Lacs)		
	As at 31st March, 2023		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	416	-	416
Due between three to six months	85	9	76
Due between six months to one year	38	4	34
Due between one year to two year	295	158	137
More than 2 year due	2,486	2,486	-
<b>Total</b>	<b>3,320</b>	<b>2,657</b>	<b>663</b>

Particulars	(₹ in Lacs)		
	As at 31st March, 2022		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	491	-	491
Due between three to six months	295	29	266
Due between six months to one year	177	18	159
Due between one year to two year	577	415	162
More than 2 year due	2,005	2,005	-
<b>Total</b>	<b>3,545</b>	<b>2,467</b>	<b>1,078</b>

## 4.2 Trade Receivables :

### Trade Receivables agein schedule as at 31st March 2023\*

Particulars	(₹ in Lacs)					Total
	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 years	
(i) Undisputed Trade receivables - considered good	492	34	137	-	-	663
(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	-	-	-	-	-	-
<b>Total</b>	<b>492</b>	<b>34</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>663</b>

### Trade Receivables agein schedule as at 31st March 2022\*

Particulars	(₹ in Lacs)					Total
	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 years	
(i) Undisputed Trade receivables - considered good	757	159	162	-	-	1,078
(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	-	-	-	-	-	-
<b>Total</b>	<b>757</b>	<b>159</b>	<b>162</b>	<b>-</b>	<b>-</b>	<b>1,078</b>

\* Figures in the schedules are net of allowance for impairment loss.

## Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

### 5. Investment

(₹ in Lacs)

Particular	As at 31st March, 2023										As at 31st March, 2022												
	At Fair Value					At Fair Value					At Fair Value					At Fair Value							
	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total		
<b>Investments</b>																							
Equity instruments	-	16,323	-	-	16,323	-	16,323	-	-	-	-	-	-	16,323	-	20,343	-	-	20,343	-	-	-	20,343
Subsidiaries	-	-	-	-	-	3,14,210	3,14,210	-	-	-	-	-	-	3,14,210	-	-	-	-	-	-	-	-	3,14,210
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In Units of Trusts and Schemes of Venture Funds	-	24,707	1	-	24,708	-	24,708	-	-	1	-	-	-	24,708	-	5,085	1	-	5,086	-	-	-	5,086
<b>Total - Gross A</b>	-	<b>41,030</b>	<b>1</b>	-	<b>41,031</b>	<b>3,14,210</b>	<b>3,55,241</b>	-	-	<b>1</b>	-	-	<b>41,031</b>	<b>3,14,210</b>	<b>25,428</b>	<b>1</b>	-	<b>25,429</b>	<b>3,14,210</b>	<b>3,017</b>	-	<b>3,39,639</b>	
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	41,030	1	-	41,031	3,14,210	3,55,241	-	-	1	-	-	41,031	3,14,210	25,428	1	-	25,429	3,14,210	3,017	-	3,39,639	
<b>Total - B</b>	-	<b>41,030</b>	<b>1</b>	-	<b>41,031</b>	<b>3,14,210</b>	<b>3,55,241</b>	-	-	<b>1</b>	-	-	<b>41,031</b>	<b>3,14,210</b>	<b>25,428</b>	<b>1</b>	-	<b>25,429</b>	<b>3,14,210</b>	<b>3,017</b>	-	<b>3,39,639</b>	
Less : Impairment loss allowance (C)	-	-	-	-	-	(3,11,193)	(3,11,193)	-	-	-	-	-	(3,11,193)	(3,11,193)	-	-	-	-	-	-	(3,11,193)	(3,11,193)	
<b>Total - Net D = (A) - (C)</b>	-	<b>41,030</b>	<b>1</b>	-	<b>41,031</b>	<b>3,017</b>	<b>44,048</b>	-	-	<b>1</b>	-	-	<b>41,031</b>	<b>3,017</b>	<b>25,428</b>	<b>1</b>	-	<b>25,429</b>	<b>3,017</b>	<b>3,017</b>	-	<b>28,446</b>	

During the financial year ended 31st March, 2023 the Company has not sold any of its investment.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 5. Investments (Contd...)

Particulars	Quantity		₹ in Lacs	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Investments Carried at Cost</b>				
<b>Investments in Subsidiary Companies</b>				
<b>In Equity Instruments (Unquoted)</b>				
Srei Capital Markets Limited	5050000	5050000	505	505
Srei Insurance Broking Private Limited	5000000	5000000	412	412
Trinity Alternative Investment Managers Limited	127500	127500	13	13
Controlla Electrotech Private Limited (Refer note (ii) below)	35305	35305	708	708
Srei Mutual Fund Asset Management Private Limited	18500000	18500000	1,279	1,279
Srei Mutual Fund Trust Private Limited	150000	150000	-	-
Srei Asset Leasing Limited	1000000	1000000	100	100
Srei Equipment Finance Limited	79016415	79016415	-	-
Bengal Srei Infrastructure Development Limited	25500	25500	-	-
<b>In Warrants (Unquoted)</b>				
Srei Mutual Fund Trust Private Limited	450000	450000	-	-
			<b>3,017</b>	<b>3,017</b>
<b>Investments in Mutual Funds</b>				
<b>In Mutual Funds (Quoted)</b>				
Unit Trust of India	400	400	1	1
			<b>1</b>	<b>1</b>
<b>Investments Carried at Fair Value through Other Comprehensive Income</b>				
<b>In Equity Instruments (Quoted)</b>				
Kotak Mahindra Bank Limited	500	500	9	9
Bharat Road Network Limited	16630000	16630000	4,365	4,773
Orient Green Power Company Limited	10924302	10924302	989	1,333
India Power Corporation Limited (Refer note (iii) below)	105524100	105524100	10,922	14,192
			<b>16,285</b>	<b>20,306</b>
<b>In Equity Instruments (Unquoted)</b>				
TN (DK) Expressways Limited (Pledged with Bank)	13000	13000	-	-
Madurai Tuticorin Expressways Limited (Pledged with Bank)	19500	19500	-	-
Suratgarh Bikaner Toll Road Company Private Limited	17750	17750	-	-
Starlift Services Private Limited	1200	1200	1	1
Kamala Tea Company Limited	25000	25000	37	36
Mahakaleshwar Tollways Private Limited	13270376	13270376	-	-
<b>In Warrants (Unquoted)</b>				
Samsara Energy Limited	23540	23540	-	-
Viom Infra Ventures Limited	99620	99620	-	-
			<b>38</b>	<b>37</b>
<b>In Units of Trusts and Schemes of Venture Funds (Unquoted)</b>				
India Advantage Fund III	164981	164981	185	186
Infrastructure Project Development Capital	661654	661654	1,130	947
Infra Construction Fund (Refer note (iv) below)	1880333	1880333	19,335	-
India Growth Opportunities Fund	3526949	3526949	458	461
Make In India Fund	1000000	1000000	157	143
Vision India Fund	5100000	5100000	3,442	3,348
			<b>24,707</b>	<b>5,085</b>
<b>Total</b>			<b>44,048</b>	<b>28,446</b>

All quoted and unquoted investments mentioned above are fully paid-up.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 5. Investments (Contd...)

### Note:

- (i) During the period dividend income has been recognised for ₹ 0.02 Lacs (Previous year ₹ 0.005 Lacs) on equity instruments categorised as measured at fair value through other comprehensive income and ₹ 100 Lacs (Previous year ₹ Nil) on equity instruments categorised at deemed cost from its subsidiary.
- (ii) The fair value of equity shares of Controlla Electrotech Private Limited is higher than its carrying amount as on 31st March, 2023. Accordingly, no impairment provision is considered necessary.
- (iii) The Company is holding 95,93,10,000 equity shares in erstwhile India Power Corporation Limited (CIN: U40101WB2003PLC097340) ("erstwhile IPCL"). In terms of the Scheme of Arrangement and Amalgamation of erstwhile IPCL into and with DPSC Limited (now known as India Power Corporation Limited) ("DPSC") (CIN: L40105WB1919PLC003263) as sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013, the Shareholders of erstwhile IPCL (including the Company) are entitled to be allotted 11 equity shares of ₹ 1 each of DPSC for every 100 equity shares of erstwhile IPCL held by them. Thus, the Company will be allotted 10,55,24,100 equity shares in DPSC which will constitute 6.69% of the post amalgamation paid up share capital of DPSC. As the Company has been given to understand, the said allotment of the aforesaid shares of DPSC to the Company will be done in terms of the Scheme sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013 after certain pending clearance(s) / approval(s) from the Stock Exchanges are obtained by DPSC. Therefore, 10,55,24,100 nos. of shares of DPSC as aforesaid is considered in the investment schedule. As the equity shares of DPSC is listed, closing price is considered for the purpose of valuation as on 31st March, 2023 and 31st March, 2022. The matter relating to the allotment of equity shares of IPCL to the Company is pending due to non-compliance of SEBI Regulations by IPCL.
- (iv) The Company is holding 18,80,333 units in Infra Construction Fund (ICF), managed by Trinity Alternative Investments Managers Limited (Trinity). The Company arrives at the fair valuation of units of ICF based on the NAV of the units provided by Trinity. ICF has made investments in equity shares of India Power Corporation Limited (IPCL) which are pending allotment. Till 31st December, 2021, Trinity considered the quoted price of shares of IPCL as on balance sheet date for arriving the NAV of ICF.  
As on 31st March, 2022, the valuation provided by Trinity to the Company, considered the fair value of equity instrument in equity shares of IPCL at NIL, considering prolonged delay in allotment of equity shares of IPCL till date since 2013. However, as per the NAV provided by Trinity as on 30th September, 2022, the fair valuation of units of ICF was considered as ₹ 19,952 Lacs under the same legal circumstances as existed on previous reporting periods. For the purpose of accounting, such impact has been considered in the financial results resulting into loss in Investment in ICF by ₹ 53,065 Lacs for the quarter ended 31st March, 2022 and again resulting into gain in Investment in ICF and Other Comprehensive Income by ₹ 19,952 Lacs during the quarter ended 30th September, 2022. The Company has enquired with the Trinity management regarding such frequent change in approach for valuation of these shares and no response has been received till date. The Company considered the fair value of units of ICF as ₹ 19,335 Lacs as on 31st March, 2023 as per the NAV provided by Trinity. The matter relating to the allotment of equity shares of IPCL to ICF is pending due to non-compliance of SEBI Regulations by IPCL.
- (v) Trinity is managing various funds in which the Company has invested. As a practice, Trinity was providing NAV of all the funds on quarterly basis till 31st March, 2022. However, as on 30th June, 2022, Trinity has not provided NAV of any funds. As per explanation given by Trinity Management, as per Clause 23 (1) of AIF Regulations, 2012, Investment Managers are mandated to provide NAV at least once in every six months. So, next NAV of the funds was due on 31st March, 2023. However, in spite of several follow-ups, Trinity has provided NAV of three Funds out of five funds in which SIFL has invested. The Company has taken NAV impact of three Funds provided by Trinity and continuing to value the investments in remaining two Funds at the NAV provided as on 30th September, 2022 amounting to ₹ 3,900 Lacs. The Company is unable to ascertain the impact on valuation of investments in Funds, had the NAV of remaining two funds as on 31st March, 2023 would have been provided by Trinity.
- (vi) 950 nos. NCD's (face value ₹ 10,00,000 each) issued by Fortis Healthcare Holdings Private Ltd were transferred to SEFL under Slump exchange w.e.f. 01st October 2019. Being matured ISIN, the depository has rejected the transfer request given by the Company in favor of SEFL. Therefore, these NCD's are being held by the Company for the benefit of SEFL and not considered as investments of the Company.
- (vii) Anagha Steel Marketing Limited (erstwhile Essar Steel Marketing Limited and formerly Essar Pellets Marketing Limited) had against a loan granted by the Company pledged 32,57,400 units of Infrastructure Project Development Fund (IPDF) having face value ₹ 100/- each as security for the loan. Pursuant to the BTA (Refer Note No. 47) the said Loan was transferred to the SEFL. Due to non-payment of the dues by Anagha Steel Marketing Limited, the pledge was invoked by virtue of which the units were transferred to the Company on 24th February, 2022. The Company continues to hold the units on behalf of the SEFL. Further, the SEFL has initiated the process to get the units transferred in its name.
- (viii) During the year ended 31st March, 2022, the Company on behalf of SEFL had invoked 49% equity shares of Sanjivik Terminals Private Limited ('STPL'), which were pledged as security against the loan availed by one of the borrowers of SEFL. As at 31st March, 2023, these shares appear in the demat statement of the Company, whereas the borrower was transferred to SEFL pursuant to BTA, as stated in Note No. 47. Further, the entire shares have been sold on 11th April, 2023 and the same has been transferred to the demat account of purchaser on 26th April, 2023.  
SEFL never had any intention to exercise any control / significant influence over STPL in terms of Ind AS 110 / Ind AS 28. SEFL has taken an expert opinion, which confirms that since SEFL is not exercising any significant influence / control over STPL, hence, STPL is not a subsidiary / associate in terms of Ind AS 110 / Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.
- (ix) The investment of the Company in its material subsidiary Srei Equipment Finance Limited ("SEFL") had been impacted. Based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has done accelerated ECL provision which is over and above normal ECL provision. SEFL had incurred losses during the current and preceding two financial years. The net worth of SEFL is fully eroded.  
Considering the above facts, the Company had assessed the carrying amount of its investment in SEFL in compliance to Ind AS and had made an impairment provision of ₹ 310,455 Lacs during the year ended 31st March, 2021 bringing down the book value of its investment in SEFL to ₹ 1 as prudent measure.  
SEFL has also admitted under CIRP with effect from 8th October, 2021 and resolution plan is under process (Refer Note No.1.2). The impact on investment, if any, is subject to outcome of resolution plan.

## 6. Other Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income accrued	43	87
Loans to employees	2	2
Security deposits		
To Related Parties	-	-
To Others	75	69
Less - Impairment allowance on security deposits	(10)	(10)
Excess Corpus in Gratuity assets	29	8
Recoverable from related party	5	5
Others	4	405
Less - Impairment allowance	(4)	-
<b>Total</b>	<b>144</b>	<b>566</b>

## 7. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Advances	4	4
Advance to Vendors for Operating Expenses	30	27
Less - Impairment allowance on advances	(8)	(8)
Balances with Government Authorities	12	14
Prepaid expenses	7	120
<b>Total</b>	<b>45</b>	<b>157</b>

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 8. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax [(net of provision for tax ₹ Nil Lacs 31st March, 2022: ₹ Nil Lacs)]	5,332	7,960
<b>Total</b>	<b>5,332</b>	<b>7,960</b>

The Reconciliation of estimated income tax to income tax expense is as below :

Particulars	2022-23	2021-22
Profit before tax	(276)	(1,353)
Statutory Income Tax Rate	25.17%	25.17%
<b>Expected income tax expense at statutory income tax rate</b>	<b>(69)</b>	<b>(341)</b>
(i) Income exempt from tax / Items not deductible (net)	(42)	49
(ii) Effect of indexation benefit / different tax rate on certain items	-	-
(iii) Net Deferred tax assets charged / not recognised to Statement of Profit & Loss	111	4,301
(iv) Effect on change in Tax Rate	-	(4,009)
(v) Income Tax for earlier years	5	(2,926)
<b>Total Tax Expense recognised in profit and loss account</b>	<b>5</b>	<b>(2,926)</b>
Total Tax Expense recognised in Other Comprehensive Income	-	-

## 9. Deferred Tax Assets / (Deferred Tax Liability) (Net)

The Reconciliation of estimated income tax to income tax expense is as below :

(₹ in Lacs)

Particulars	As at 1st April, 2022	Recognised / (reversed) in Statement of Profit & Loss	Recognised / (reversed) in Other Comprehensive Income	As at 31st March, 2023
Receivables, Financial Assets and Liabilities at Amortised Cost	27,800	49	-	27,849
Unrealised gain on Investment carried at Fair Value	4,792	-	3,245	1,547
Carried Forward of Losses & Unabsorbed Depreciation	18,178	28	(892)	17,314
Property, Plant and Equipment and Intangible Assets	(158)	(15)	-	(173)
Other Temporary Differences	184	(173)	(6)	5
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>50,796</b>	<b>(111)</b>	<b>(4,143)</b>	<b>46,542</b>
Net Deferred tax assets not recognised	50,796	(111)	(4,143)	46,542

(₹ in Lacs)

Particulars	As at 1st April, 2021	Recognised / (reversed) in Statement of Profit & Loss	Recognised / (reversed) in Other Comprehensive Income	As at 31st March, 2022
Receivables, Financial Assets and Liabilities at Amortised Cost	27,809	(9)	-	27,800
Unrealised gain on Investment carried at Fair Value	(2,017)	-	6,809	4,792
Carried Forward of Losses & Unabsorbed Depreciation	22,691	(4,430)	(83)	18,178
Property, Plant and Equipment and Intangible Assets	(123)	(35)	-	(158)
Other Temporary Differences	12	173	(1)	184
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>48,372</b>	<b>(4,301)</b>	<b>6,725</b>	<b>50,796</b>
Net Deferred tax assets not recognised	48,372	(4,301)	6,725	50,796

The Company has incurred operating losses during the year ended 31st March, 2023 and also has accumulated losses till 31st March, 2022 which resulted in carry forward business losses on which deferred tax assets can be created to the extent it is probable that in future taxable profits will be available against which carry forward business losses can be utilized. Considering the uncertainty that future taxable profits will be available for set off against which carry forward losses can be utilised, the Company has decided not to create deferred tax assets on net basis during the year ended 31st March, 2023 in accordance to Ind AS 12, which will be reviewed in future period.

## Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

### 10. Property, Plant and Equipment

Particulars	Gross Carrying Amount			Depreciation / Amortisation and Impairment			Net Carrying Amount		
	As at 1st April, 2022	Additions	Disposals and other adjustments	As at 31st March, 2023	As at 1st April, 2022	Depreciation / amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2023
<b>Assets for Own use</b>									
Buildings <sup>1</sup>	10,542	-	-	10,542	1,142	229	-	-	9,171
Plant and Machinery	20	-	-	20	6	2	-	-	12
Furniture and Fixtures	36	-	1	35	30	1	-	-	3
Computers	26	-	5	21	26	-	-	5	0
Office Equipments	7	-	-	7	6	-	-	-	1
Leasehold Improvements	1	-	-	1	-	1	-	-	-
<b>Total</b>	<b>10,632</b>	<b>-</b>	<b>6</b>	<b>10,626</b>	<b>1,210</b>	<b>233</b>	<b>-</b>	<b>5</b>	<b>9,187</b>

### 11. Intangible Assets

Particulars	Gross Carrying Amount			Depreciation / Amortisation and Impairment			Net Carrying Amount		
	As at 1st April, 2022	Additions	Disposals and other adjustments	As at 31st March, 2023	As at 1st April, 2022	Depreciation / amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2023
<b>Assets for Own use</b>									
Software	157	-	-	157	154	2	-	-	156
<b>Total</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>157</b>	<b>154</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>156</b>

<sup>1</sup> Building includes Gross carrying amount of ₹ 8,747.34 Lacs in respect of property at Saket Place, New Delhi ('Property'), which was purchased by the Company from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice. (Refer Note - 28).

The Property is in the possession of the Company and being used for its business purposes. Further, the Company is depositing related corporation taxes in its name. Therefore, in accordance to Ind AS 16, the said Property (pending its conveyance) is continued to be shown as aforesaid.

### Breakup of Depreciation / Amortisation and Impairment for the year / period ended 31st March, 2023 is as below :

Particulars	Total
Assets for Own use - Tangible	233
Assets for Own use - Intangible	2
Right to use assets*	-
<b>Total</b>	<b>236</b>

\*Net carrying amount of Right to use assets is ₹ 1 Lac as on 31st March, 2023 (Previous year: ₹ 1 Lac) (Refer Note No. 44).

## Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Particulars	Gross Carrying Amount			Depreciation / Amortisation and Impairment			Net Carrying Amount		
	As at 1st April, 2021	Additions	Disposals and other adjustments	As at 31st March, 2022	As at 1st April, 2021	Depreciation / amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2022
<b>Assets for Own use</b>									
Buildings <sup>1</sup>	10,542	-	-	10,542	914	228	-	-	9,400
Plant and Machinery	20	-	-	20	4	2	-	6	14
Furniture and Fixtures	42	-	6	36	33	3	-	6	6
Computers	26	1	1	26	26	1	-	1	(0)
Office Equipments	7	-	-	7	6	-	-	6	1
Leasehold Improvements	1	-	-	1	-	-	-	-	1
<b>Total</b>	<b>10,638</b>	<b>1</b>	<b>7</b>	<b>10,632</b>	<b>983</b>	<b>234</b>	<b>-</b>	<b>7</b>	<b>9,421</b>

(₹ in Lacs)

Particulars	Gross Carrying Amount			Depreciation / Amortisation and Impairment			Net Carrying Amount		
	As at 1st April, 2021	Additions	Disposals and other adjustments	As at 31st March, 2022	As at 1st April, 2021	Depreciation / amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2022
<b>Assets for Own use</b>									
Software	160	-	3	157	156	1	-	3	154
<b>Total</b>	<b>160</b>	<b>-</b>	<b>3</b>	<b>157</b>	<b>156</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>154</b>

(₹ in Lacs)

<sup>1</sup>Building includes Gross carrying amount of ₹ 8,747.34 Lacs in respect of property at Saket Place, New Delhi ('Property'), which was purchased by the Company from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice.

The Property is in the possession of the Company and being used for its business purposes. Further, the Company is depositing related corporation taxes in its name. Therefore, in accordance to Ind AS 16, the said Property (pending its conveyance) is continued to be shown as aforesaid.

**Breakup of Depreciation / Amortisation and Impairment for the year / period ended 31st March, 2022 is as below :**

Particulars	Total
Assets for Own use - Tangible	234
Assets for Own use - Intangible	1
Right to use assets*	378
<b>Total</b>	<b>613</b>

(₹ in Lacs)

\*Net carrying amount of Right to use assets is ₹ 1 Lac as on 31st March, 2022 (Previous year: ₹ 1,775 Lacs).

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 12. Trade Payables

### (a) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) The principal amount and interest due thereon remaining unpaid to any supplier*	40	35
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small 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	-	-
<b>Total</b>	<b>40</b>	<b>35</b>

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. Accordingly, a moratorium has been declared under Section 14 of the Code. No interest was payable till the insolvency commencement date i.e. 08th October, 2021 and post CIRP the Company has not provided for any interest.

\* The amount of ₹ 31 Lacs outstanding from previous years pertains to pre CIRP period out of which Company has received claims of ₹ 22 Lacs under IBC code.

Trade Payables include ₹ Nil Lacs (Previous year - ₹ Nil Lacs) due to the related parties.

### (b) Total outstanding dues of creditors other than micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
For Services	641	1,100
<b>Total</b>	<b>641</b>	<b>1,100</b>

### (c) Trade Payables ageing schedule as at 31st March, 2023

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
<b>Trade Payables</b>					
(i) MSME	9	30	-	1	40
(ii) Others	248	122	76	195	641
(iii) Disputed dues (MSMEs) and	-	-	-	-	-
(iii) Disputed dues (Others)	-	-	-	-	-
<b>Total</b>	<b>257</b>	<b>152</b>	<b>76</b>	<b>196</b>	<b>681</b>

### (d) Trade Payables ageing schedule as at 31st March, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
<b>Trade Payables</b>					
(i) MSME	34	-	1	-	35
(ii) Others	831	178	1	90	1,100
(iii) Disputed dues (MSMEs) and	-	-	-	-	-
(iii) Disputed dues (Others)	-	-	-	-	-
<b>Total</b>	<b>865</b>	<b>178</b>	<b>2</b>	<b>90</b>	<b>1,135</b>



# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 13. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and Loss	Designated at fair value through profit or loss	Total
<b>Unsecured</b>								
Inter Corporate Deposits	25,671	-	-	25,671	25,723	-	-	25,723
<b>Total</b>	<b>25,671</b>	<b>-</b>	<b>-</b>	<b>25,671</b>	<b>25,723</b>	<b>-</b>	<b>-</b>	<b>25,723</b>
Borrowings in India	25,671	-	-	25,671	25,723	-	-	25,723
<b>Total</b>	<b>25,671</b>	<b>-</b>	<b>-</b>	<b>25,671</b>	<b>25,723</b>	<b>-</b>	<b>-</b>	<b>25,723</b>

i. Inter Corporate Deposit as at 31st March, 2023, is ₹ 25,671 Lacs (31st March 2022 : ₹ 25,723 Lacs) from SEFL, a wholly owned subsidiary of the Company bearing interest @ 10% p.a.

ii. The domestic lenders of the Company and SEFL had stipulated Trust and Retention Account (TRA) mechanism w.e.f 24th November, 2020, pursuant to which all the payments being made by the Company were being approved / released based on approval in the TRA mechanism and accordingly considering the restrictions imposed by the lenders on the related party payments, the Audit Committee of SIFL and SEFL in their meeting dated 14th August, 2021 and 11th August, 2021 respectively approved waiver of interest on ICD taken by SIFL from SEFL. The Company had not accounted for interest of ₹ 2,686 Lacs for the year ended 31st March, 2022 . Pursuant to the admission of the Company under the CIRP, SIFL has not provided for interest amount for ₹ 2,574 Lacs for the year ended 31st March, 2023 in respect of SIFL's obligation for interest on ICD. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.

## 14. Subordinated Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and Loss	Designated at fair value through profit or loss	Total
Subordinated Perpetual bonds / debentures (Tier I Capital) (Refer Note No. 14.1)	33,000	-	-	33,000	33,000	-	-	33,000
<b>Total</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>
Subordinated Liabilities in India	33,000	-	-	33,000	33,000	-	-	33,000
<b>Total</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>

### 14.1 Subordinated Perpetual bonds / debentures (Tier I Capital)

During the year, the Company has not raised Unsecured subordinated perpetual debentures (Previous Year: ₹ Nil Lacs). As at 31st March, 2023, the amount outstanding is ₹ 33,000 Lacs (31st March 2022 : ₹ 33,000 Lacs). These debentures have call option which is exercisable with prior approval of RBI. Call Option can be exercised by the Company on 1st April, 2029 for ₹ 32,000 Lacs and 22nd April, 2029 for ₹ 1,000 Lacs.

(₹ in Lacs)

Rate of Interest	As at 31st March, 2023		As at 31st March, 2022	
	Maturity Profile	Total	Maturity Profile	Total
	2029 - 30		2029 - 30	
10%	33,000	33,000	33,000	33,000
<b>Total</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>

Pursuant to the admission of the Company under the CIRP, SIFL has not provided for interest amount ₹ 3,300 Lacs for the year ended 31st March, 2023 in respect of SIFL's obligation for interest on Non-convertible Perpetual Bond. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date. Considering the significant impact of COVID -19 on business activity, the Company had approached Non-convertible Perpetual Bond holders for waiver of interest for F.Y. 2021-22. The Company had received their consent. Accordingly, the Company had not accrued interest on such bonds during the previous year ended 31st March, 2022 totalling to ₹ 3,300 Lacs.

### 14.2 Subordinated bonds / debentures (Tier II Capital)

The Company has not raised any fund from subordinated bonds / debentures qualifying for Tier II capital during the year ended 31st March, 2023 and 31st March, 2022.

### 14.3 Subordinated Loan & Deposits

The Company has not raised any fund from subordinated loans & deposits qualifying for Tier II capital during the year ended 31st March, 2023 and 31st March, 2022.

## Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

### 15. Other Financial Liabilities

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividends (Refer Note No. 15.1)	24	24
Security Deposits & Retentions	15,507	15,531
Payable to Employees	35	38
Liability for Operating Expenses	371	642
Financial Guarantee Liability	-	142
Claim payable (Refer Note No. 15.2)	107	-
<b>Total</b>	<b>16,044</b>	<b>16,377</b>

15.1 To be credited to Investor Education and Protection Fund if the same are not claimed by the shareholders within 7 years from the date of dividend delared. It includes an amount of ₹ 4,84,877/- payable by the Company to Investor Education Protection Fund ("IEPF") pertaining to commencement of post CIRP period.

The Company is unable to comply with the provision of Section 125 of the Act, as the Company needs to comply with the General Circular No. 08/2020 issued by the Ministry of Corporate Affairs (MCA) dated 06th 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 Act, in accordance with directions issued by the NCLT / NCLAT / Courts, shall be filed as attachments with e-form GNL - 2 against the payment of one time normal fee only, till such time the Company remains under CIRP. Separate GNL - 2 forms shall be filed for each such document, by the IRP / RP. However, since the GNL - 2 form is not linked with IEPF - 1 the Company is unable to generate SRN for payment to IEPF authorities. Due to said technical difficulty the Company could not comply with the provisions of Section 125 & other applicable provisions of the Act. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.

15.2 It includes an amount of ₹ 96 Lacs payable to related party, Srei Equipment Finance Ltd (SEFL), towards bank guarantee invoked by a customer of the Company out of bank limit of SEFL. This also includes the bank charges amounting to ₹ 11 Lacs paid by SEFL on behalf of the Company.

### 16. Provisions

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for Unavailed Leave (Refer Note No. 42)	6	12
<b>Total</b>	<b>6</b>	<b>12</b>

### 17. Other Non-financial liabilities

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Advance from Customers	4	5
Statutory Liabilities	64	143
<b>Total</b>	<b>68</b>	<b>148</b>

### 18. Equity Share Capital

Particulars	(₹ in Lacs)			
	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
<b>Authorised</b>				
Equity Shares, ₹ 10/- par value per share	100000000	1,00,000	100000,000	1,00,000
Preference Shares, ₹ 100/- par value per share	50000000	50,000	50000000	50,000
		<b>1,50,000</b>		<b>1,50,000</b>
<b>Issued and subscribed</b>				
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309
<b>Fully Paid-up</b>				
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309
		<b>50,309</b>		<b>50,309</b>

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 18.1 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 :

(₹ in Lacs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	503086333	50,309	503086333	0,309
Add : Issued during the year	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309

## 18.2 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 par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31st March, 2023 and 31st March, 2022.

The Company declares and pays dividend in Indian rupees. The dividend, if any, 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 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.

## 18.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2023)

The Company has not issued any shares without payment being received in cash / by way of bonus shares during last 5 years.

## 18.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below :

Sl.No.	Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
		No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
1	Adisri Commercial Private Limited (Holding Company)	303675845	60.36	303675845	60.36

## 18.5 Shareholding of promoters as at March 31, 2023 :

### Shares held by promoters at the end of the year

Sl.No.	Promoter name	No. of shares	% of total shares	% Change during the year
(i)	Adisri Commercial Private Limited (Holding Company)	303675845	60.36%	-
(ii)	Sunil Kanoria	1802714	0.36%	-
(iii)	Hemant Kanoria	380000	0.08%	-
<b>Total</b>		<b>305858559</b>	<b>60.80%</b>	

### Shareholding of promoters as at March 31, 2022 :

Sl.No.	Promoter name	No. of shares	% of total shares	% Change during the year
(i)	Adisri Commercial Private Limited (Holding Company)	303675845	60.36%	-
(ii)	Sunil Kanoria	1802714	0.36%	-
(iii)	Hemant Kanoria	380000	0.08%	-
<b>Total</b>		<b>305858559</b>	<b>60.80%</b>	

**Note :** Promoter here means promoter as defined in the Companies Act, 2013.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 19. Other Equity

(₹ in Lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Special Reserve (pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)</b>		
Opening balance	27,512	27,197
Add : Transfer from retained earnings	-	315
<b>Closing balance</b>	<b>27,512</b>	<b>27,512</b>
<b>Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)</b>		
Opening balance	14,606	14,606
Add : Transfer from retained earnings	-	-
<b>Closing balance</b>	<b>14,606</b>	<b>14,606</b>
<b>Capital Reserve</b>		
Opening balance	1,960	1,960
Add : Addition during the year	-	-
<b>Closing balance</b>	<b>1,960</b>	<b>1,960</b>
<b>Securities Premium Reserve</b>		
Opening balance	19,754	19,754
<b>Closing balance</b>	<b>19,754</b>	<b>19,754</b>
<b>General Reserve</b>		
Opening balance	1,39,604	1,39,604
<b>Closing balance</b>	<b>1,39,604</b>	<b>1,39,604</b>
<b>Equity Instruments through Other Comprehensive Income</b>		
Opening balance	(25,040)	7,690
Add : Addition during the year	15,602	(32,730)
Less : Reclassification to retained earnings (net of tax)	-	-
<b>Closing balance</b>	<b>(9,438)</b>	<b>(25,040)</b>
<b>Retained Earnings</b>		
Opening balance	(2,56,117)	(2,57,398)
Add : Profit for the year	(281)	1,573
Add : Other Comprehensive Income (net of tax)	24	23
<b>Add / Less : Appropriations</b>		
Transferred to Special Reserve	-	315
Reclassification from Other Comprehensive Income	-	-
<b>Total appropriations</b>	<b>-</b>	<b>315</b>
<b>Closing balance</b>	<b>(2,56,374)</b>	<b>(2,56,117)</b>
<b>Total</b>	<b>(62,376)</b>	<b>(77,721)</b>

### (i) Special Reserve :

Every year the Company transfers a sum of not less than twenty percent of net profit after tax, if any, of that year 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.

### (ii) Income Tax Special Reserve :

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.

### (iii) Capital Reserve :

This reserve represents capital investment subsidy received, amount forfeited towards warrant subscription and amount on cancellation of forfeited equity shares.

### (iv) 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.

### (v) General Reserve :

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

### (vi) Equity Instruments through Other Comprehensive Income :

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

### (vii) 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.

## 20. Interest Income

(₹ in Lacs)

Particulars	2022- 23			2021-22		
	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	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
Interest on deposits with Banks	-	79	-	-	14	-
Other interest Income	-	60	-	-	-	-
<b>Total</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 21. Other Income

	(₹ in Lacs)	
Particulars	2022-23	2021-22
Interest on Income Tax Refund	149	207
Others*	62	252
<b>Total</b>	<b>211</b>	<b>459</b>

\*It includes gain on reversal of PFI guarantee liabilities amounting to ₹ 21 Lacs during the current financial year (Previous year : ₹ NIL) and Liability no longer required ₹ 36 Lacs (Previous year ₹ 1 Lac) and gain on termination of lease liabilities amounting to ₹ NIL (Previous year: ₹ 236 Lacs).

## 22. Finance Costs

	2022-23		2021-22	
Particulars	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
	Interest on borrowings [Refer Note No. 13 (ii)]	-	-	-
Interest on subordinated liabilities (Refer Note No. 14.1)	-	-	-	-
Other interest expense	-	19	-	158
<b>Total</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>158</b>

## 23. Impairment on Financial Instruments (net)

	2022-23		2021-22	
Particulars	On Financial liabilities measured at fair value through OCI	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through OCI	On Financial liabilities measured at Amortised Cost
	Investments	-	-	-
Other financial assets	-	194	-	457
<b>Total</b>	<b>-</b>	<b>194</b>	<b>-</b>	<b>457</b>

## 24. Employee Benefits Expenses

	(₹ in Lacs)	
Particulars	2022-23	2021-22
Salaries and wages	256	441
Contribution to provident and other funds	15	33
Staff welfare expenses	5	10
<b>Total</b>	<b>276</b>	<b>484</b>

## 25. Administrative and Other Expenses

	(₹ in Lacs)	
Particulars	2022-23	2021-22
Rent, Taxes and Energy Costs	58	152
Repairs and Maintenance	72	87
Communication Costs	2	4
Printing and Stationery	1	15
Advertisement and Publicity	9	14
Director's Fees, Allowances and Expenses	-	65
Auditor's Fees and Expenses (Refer Note No. 25.1)	43	3
Legal and Professional Charges	49	181
Insurance	14	9
Corporate Social Responsibility Expenses (Refer Note No. 25.2)	-	-
Travelling & Conveyance	57	71
CIRP Expenses (Refer Note No. 25.3)	514	321
Other Expenditure	112	65
<b>Total</b>	<b>931</b>	<b>1,022</b>

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 25.1 Payments to the Auditor

(₹ in Lacs)

Particulars	2022-23	2021-22
As Auditor - Statutory Audit & Limited Reviews	40	35
For Other Services (Certification etc.)	2	3
For Reimbursement of Expenses	1	-
<b>Total</b>	<b>43</b>	<b>38</b>

## 25.2 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 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	52	52
(e) Reason for shortfall	Refer Note No. 50	Refer Note No. 50
(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

## 25.3

(₹ in Lacs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Fees to Resolution professional	54	27
Manpower Cost	72	35
Reimbursement of expenses	-	-
Other Expenses	388	259
<b>Total</b>	<b>514</b>	<b>321</b>

## 26. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

(₹ in Lacs)

Particulars	2022-23	2021-22
Profit / (Loss) for the period	(281)	1,573
<b>Basic and Diluted</b>		
(i) Number of Equity Shares at the beginning of the year	50,30,86,333	50,30,86,333
(ii) Number of Equity Shares issued during the year	-	-
(iii) Number of Equity Shares at the end of the year	50,30,86,333	50,30,86,333
(iv) Weighted average number of Equity Shares outstanding during the year (D)	50,30,86,333	50,30,86,333
(v) Nominal Value of each Equity Share (₹)	10	10
<b>Basic and Diluted Earnings per Equity share (₹)</b>	<b>(0.06)</b>	<b>0.31</b>

There have been no transaction involving ordinary equity shares or potential equity shares between the reporting date and the date of completion of these standalone financial statements which would require the restatement of EPS.

## 27. Contingent Liabilities and Commitments (to the extent not Provided for)

(₹ in Lacs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>A. Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts :		
Income Tax*	-	-
Service Tax*	-	-
Central Sales Tax*	-	-
(b) Guarantees:		
Corporate Guarantees	3,270	5,270
Bank Guarantees**	345	1,521
(c) Others ***	35	-
<b>Total</b>	<b>3,650</b>	<b>6,791</b>

In respect of above, it is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

\* As regards the contingent liability amounting to ₹ 211 Lacs (31st March, 2022: ₹ 211 Lacs) for Central Sales tax, ₹ 4,645 Lacs (31st March, 2022: ₹ 4,645 Lacs) for Service tax and ₹ 9,582 Lacs (31st March, 2022: ₹ 9,582 Lacs) for Income tax, in relation to various previous financial years, which are under dispute / pending with relevant forum / authorities, in terms of the Business Transfer Agreement ('BTA'), the Company is holding the same, in its books of account, on behalf of its wholly owned subsidiary, Srei Equipment Finance Limited ('SEFL'). In case of any future liability arising on the Company in relation to the aforesaid claims, the Company will recover the same from SEFL as per the terms of the BTA. Based on direction of the RBI, during the year ended 31st March, 2022, provision of ₹ 211 Lacs for Central Sales Tax, ₹ 4,262 Lacs for Service Tax, ₹ 9,356 Lacs for Income Tax and ₹ 226 Lacs for Fringe Benefit Tax has been made by SEFL in their books of accounts.

\*\* Includes ₹ 300.72 Lacs (31st March, 2022 : ₹ 416.30 Lacs) issued on Company's behalf by the Banker of a Subsidiary Company and includes Bank Guarantees issued out of banks credit line which was transferred to SEFL as part of BTA.

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

\*\*\*The Company has provided Affirming letter (Co-indemnity Letter) in respect of Bharat Road Network Limited and its indemnity obligation under the agreement for divestment of equity shares of Shree Jagannath Expressways Private Limited. As the transaction has been consummated during the current Financial Year without any Liability, there is no liability on the Company as on 31st March, 2023.

## 28. Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in Lacs)		Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
		As at 31st March, 2023	As at 31st March, 2022				
PPE	Building (Saket, New Delhi)	8,747.34	8,747.34	South Lake Properties Pvt Ltd / Pushp Vihar Properties Pvt Ltd / Koshika Properties Pvt Ltd / Wales Properties Pvt Ltd	No	29th Sept, 2010	**

\*\* In respect of property at Saket Place, New Delhi ('Property'), which was purchased by the Company from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice.

29. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder during the year ended 31st March, 2023 and 31st March, 2022.

## 30. Relationship with Struck off Companies

The Company has not entered into any transaction with Companies struck-off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March, 2023 and 31st March, 2022.

## 31. Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.

32. The Company has not been declared as wilful defaulter by any Bank or Financial Institution of other lender during the year ended 31st March, 2023 and 31st March, 2022. However, based on the information available in the public domain, some of the lenders have declared the bank accounts of the Company and SEFL as fraud. However, in case of one of the lenders, on the basis of petition filed by the ex-promoter before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated 22nd April, 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 22nd April, 2022 shall continue till the next date of hearing i.e., 15th May, 2023. Further update on this is not available in public domain.

33. The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

## 34. Undisclosed Income

There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31st March, 2023 and 31st March, 2022 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

There are no previously unrecorded income and related assets have been properly recorded in the books of account during the year ended 31st March, 2023 and 31st March, 2022.

## Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

### 35. Utilisation of Borrowed funds and share premium

(A) During the year ended and as at 31st March, 2023 and 31st March, 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 31st March, 2023 and 31st March, 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.

### 36. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31st March, 2023 and 31st March, 2022.

### 37. 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 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 increment in the provisions held and liquidity problems faced by the Company, the net worth of the Company has been fully eroded. The Company is presently under CIRP with effect from 8th October, 2021 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.

### 38. Regulatory Capital (Capital Adequacy Ratio)

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Tier I capital	(17,052)	(5,353)
Tier II capital	-	30,881
<b>Total capital*</b>	<b>(17,052)</b>	<b>(5,353)</b>
Risk Weighted Assets	54,843	68,452
Tier I Ratio (%)	-31.09%	-7.82%
Tier II Ratio (%)	-	-

\* 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. As at 31st March, 2023 and 31st March, 2022 subordinated debts (Tier II capital) have not been considered in Total capital as Tier I capital is negative.

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, perpetual debt instrument, retained earnings including current year profit / (loss), statutory reserves and other free reserves less deferred revenue expenditure and intangible assets. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds.



# Srei Infrastructure Finance Limited

for the year ended 31st March, 2023 (Contd.)

## 39. 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. 1.3.15 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 :

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
(₹ in Lacs)				
<b>Financial Assets</b>				
<b>a) Measured at Amortised Cost</b>				
i) Cash and Cash Equivalents	3,719	3,719	1,100	1,100
ii) Bank Balance other than (i) above	265	265	253	253
iii) Trade Receivables	663	663	1,078	1,078
iv) Investment	3,017	3,017	3,017	3,017
v) Other Financial Assets	144	144	566	566
<b>Sub-total</b>	<b>7,808</b>	<b>7,808</b>	<b>6,014</b>	<b>6,014</b>
<b>b) Measured at Fair value through Profit or Loss</b>				
i) Investments	1	1	1	1
ii) Other Financial Assets	-	-	-	-
<b>Sub-total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>c) Measured at Fair value through Other Comprehensive Income</b>				
i) Investments	41,030	41,030	25,428	25,428
<b>Sub-total</b>	<b>41,030</b>	<b>41,030</b>	<b>25,428</b>	<b>25,428</b>
<b>Total Financial Assets</b>	<b>48,839</b>	<b>48,839</b>	<b>31,443</b>	<b>31,443</b>
<b>Financial Liabilities</b>				
<b>a) Measured at Amortised Cost</b>				
i) Payables	681	681	1,135	1,135
ii) Borrowings (Other than Debt Securities)	25,671	25,671	25,723	25,723
iii) Subordinated Liabilities	33,000	33,000	33,000	33,000
iv) Lease Liabilities	2	2	2	2
v) Other Financial Liabilities	16,044	16,044	16,377	16,377
<b>Sub-total</b>	<b>75,398</b>	<b>75,398</b>	<b>76,237</b>	<b>76,237</b>
<b>b) Measured at Fair value through Profit or loss</b>				
i) Derivative Financial Instruments	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities</b>	<b>75,398</b>	<b>75,398</b>	<b>76,237</b>	<b>76,237</b>

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 observable future cash flows based on terms, discounted at the average lending rate of the company.

#### Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (include ₹ 78 Lacs maturing in less than twelve months) as on balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

#### Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at the average borrowing rate of the company.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short - term maturity (include ₹ 323 Lacs maturing in less than twelve months) as on balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

### 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.

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 and Loan Assets carried at FVTPL included in level 3.

Particulars	(₹ in Lacs)			
	As at 31st March, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Other financial assets	-	-	-	-
Investments	16,286	-	24,745	41,031
	<b>16,286</b>	<b>-</b>	<b>24,745</b>	<b>41,031</b>

Particulars	(₹ in Lacs)			
	As at 31st March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Other financial assets	-	-	-	-
Investments	20,307	-	5,122	25,429
	<b>20,307</b>	<b>-</b>	<b>5,122</b>	<b>25,429</b>

### Note :

- Fair value of the Company's assets and liabilities that are measured at fair value on a recurring basis.
- The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, all its liabilities are crystallised as at as on 8th October, 2021 (Insolvency Commencement Date or 'ICD'). Hence, it has been assumed that the carrying value of the liabilities approximates the fair value.

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

Particular	Fair Value		Fair Value Hierarchy	Valuation Technique and Key Input	Significant Unobservable Input
	As at 31st March, 2023	As at 31st March, 2022			
	<b>Financial Assets</b>				
Other financial assets	-	-	Level 3	Note (ii)	Note (v)
Investments	16,286	20,307	Level 1	Note (iii)	Not Applicable
Investments	24,745	5,122	Level 3	Note (iv)	Note (v) & (vi)
<b>Financial liabilities</b>					
Derivative Financial Instruments	-	-	Level 2	Note (i)	Not Applicable

### (i) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

### (ii) Income Approach

The discounted cash flow method was used to capture the present value of the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## (iii) Quoted Prices

Quoted bid prices of an active market was used.

## (iv) Other Inputs

(a) Market Multiple Method : Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method : Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method : Value of the underlying net assets of the business.

(v) Discount rate, determined using the average cost of borrowing of the company + spread or contract yield rates or as considered by the Valuer.

(vi) Estimated future cash flows.

## Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Investments		Other financial assets	
	22-23	21-22	22-23	21-22
Opening Balance	5,122	40,862	-	-
Addition	-	-	-	-
Sale / Repayment	-	-	-	-
Unrealised income / (loss)	19,623	(35,740)	-	-
<b>Closing Balance</b>	<b>24,745</b>	<b>5,122</b>	<b>-</b>	<b>-</b>

## Sensitivity of fair value measurements to changes in unobservable market data (impact of change by 2%)

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable / unfavourable range.

Below table shows impact of increase / decrease in fair valuation measurement at 2%.

(₹ in Lacs)

Reconciliation	As at 31st March, 2023		As at 31st March, 2022	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Investment	495	(495)	102	(102)
Other financial assets	-	-	-	-
<b>Total</b>	<b>495</b>	<b>(495)</b>	<b>102</b>	<b>(102)</b>

## C) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('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 has also been reconstituted. The Financial risk management framework would undergo revision post 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. Other 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).

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

The Company is not having any Foreign Currency Exposure as on 31st March, 2023 & 31 March, 2022. Hence, the Company's profit and loss and equity is not exposed to such foreign currency risk.

## Foreign Currency Sensitivities

There is no outstanding exposure in foreign currency as at 31st March, 2023 and 31st March, 2022, which will have sensitivity impact.

### ii. Interest rate risk

Post transfer of business under slump exchange, the Company is not having floating interest rate borrowings. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.

Post transfer of business under slump exchange, the Company is not undertaking lending business.

The Company's outstanding borrowings as at 31st March, 2023 and 31st March, 2022 is having fixed interest rates.

The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under Section 14 of the Code. Hence no interest provision has been made post commencement of CIRP.

The sensitivity analysis is applicable on the exposure having floating interest rates for assets and liabilities at the end of the reporting period. As there is no exposure having floating interest rates, no separate disclosure is being done.

### 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 & Loss / fair value through Other Comprehensive Income as at 31st March, 2023 is ₹ 16,286/- Lacs (31st March, 2022 is ₹ 20,307 Lacs)

A 10% change in equity prices of such securities held as at 31st March, 2023 and 31st March, 2022, would result in an impact of ₹ 1,629 Lacs and ₹ 2,031 Lacs respectively.

### b) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's treasury maintains flexibility in funding by maintaining sufficient cash and marketable securities to meet obligations when due and to close out market positions. The 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.

The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under Section 14 of the Code. The current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the Company. The Liquidity risk management framework would undergo revision post implementation of the approved resolution plan.

## Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

### Liquidity risk management (based on commercial terms):

(₹ in Lacs)

Particulars	As at 31st March, 2023				As at 31st March, 2022					
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
<b>A. Financial assets</b>										
i) Cash and Cash Equivalents	106	3,613	-	-	3,719	599	501	-	-	1,100
ii) Bank Balance other than (i) above	24	-	163	78	265	24	-	226	3	253
iii) Trade & Other Receivables	-	3,320	-	-	3,320	-	3,545	-	-	3,545
iv) Loans	-	-	-	-	-	-	-	-	-	-
v) Investments	-	-	-	44,048	44,048	-	-	-	28,446	28,446
vi) Other Financial Assets	-	43	35	66	144	-	495	-	76	571
<b>Total</b>	<b>130</b>	<b>6,976</b>	<b>198</b>	<b>44,192</b>	<b>51,496</b>	<b>623</b>	<b>4,541</b>	<b>226</b>	<b>28,525</b>	<b>33,915</b>
<b>B. Financial liabilities</b>										
i) Trade Payables*	-	269	-	-	681	-	969	-	-	1,135
ii) Borrowings*	-	-	-	33,000	58,671	-	-	-	33,000	58,723
iii) Lease Liabilities	-	-	1	1	2	-	-	1	1	2
iv) Other Financial Liabilities *	24	285	14	-	16,044	55	552	31	610	16,377
<b>Total</b>	<b>24</b>	<b>554</b>	<b>15</b>	<b>33,001</b>	<b>75,398</b>	<b>55</b>	<b>1,521</b>	<b>32</b>	<b>33,611</b>	<b>76,237</b>

\* Repayments of trade payable, borrowings and other financial liabilities pertaining to pre-CIRP period are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2, 53 and 54).

### 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.

Post transfer of business under slump exchange, the Company is not undertaking lending business. The major part of the assets consists of Investments and Company is primarily focusing on its fee business. The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under Section 14 of the Code.

The Company also provides advisory services to its clients which result in accrual of Trade Receivables. The Company is exposed to credit risk to the extent of such Trade Receivables. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has credit policies approved by the Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on trade receivables as per accounting standards. In addition, the Company also assesses impairment on such assets as per RBI guidelines and accounted for in the books as per regulatory guidelines. Any concentration breach as per prudential norms are reported as required by RBI.

## Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

d) Public disclosure on liquidity risk as per RBI Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated 04th November, 2019.

As at 31st March, 2023 :

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

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	5	58,671	N.A.	77%

(ii) Top 20 large deposits (Amount : Nil ; and % of total deposits : NA)

(iii) Top 10 borrowings (Amount : ₹ 58,671 Lacs; and % of total borrowings : 100%)

(iv) Funding Concentration based on significant instrument / product

No.	Name of the instrument / product	Amount (₹ in Lacs)	% of Total Liabilities
1	Subordinated Perpetual debentures (Tier I Capital)	33,000	44%
2	Inter Corporate Deposits	25,671	34%

(v) Stock Ratios :

No.	Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
(a)	Commercial papers	0%	0%	0%
(b)	Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
(c)	Other short - term liabilities	1.0%	0.8%	0.9%

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

Post supersession of the Board of the Company by the Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE (1) of the RBI Act, 1934, has vide Order / Press Release dated 4th October, 2021, Asset Liability Management Committee (ALMC) has been reconstitution w.e.f. 10th December, 2021.

(vii) Guidelines of Liquidity Coverage Ratio (LCR) as per RBI Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated 04th November, 2019 is applicable to NBFC - NDSI's with an assets size of ₹ 5,000 Crores and above. As the assets size of the Company is below the prescribed limit, the disclosure requirement is not applicable to the Company.

As at 31st March, 2022 :

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

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	5	58,723	N.A.	77%

(ii) Top 20 large deposits (Amount: Nil ; and % of total deposits: NA)

(iii) Top 10 borrowings (Amount: ₹ 58,723 Lacs; and % of total borrowings: 100%)

(iv) Funding Concentration based on significant instrument / product

No.	Name of the instrument / product	Amount (₹ in Lacs)	% of Total Liabilities
1	Commercial Paper	-	-
2	Subordinated Perpetual debentures (Tier I Capital)	33,000	43%
3	Inter Corporate Deposits	25,723	34%

(v) Stock Ratios :

No.	Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
(a)	Commercial papers	0%	0%	0%
(b)	Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
(c)	Other short - term liabilities	3%	2%	4%

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

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

Post supercession of the Board of the Company by the Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE (1) of the RBI Act, 1934, has vide Order / Press Release dated 4th October, 2021, Asset Liability Management Committee (ALMC) has been reconstitution w.e.f. 10th December 2021.

## e) Risk concentrations

The principal business of the Company was to provide financing in the form of loans to its clients for various infrastructure and allied purposes. Post the transfer of Lending Business, Interest Earning Business & Lease Business ("Transferred Undertaking") together with associated employees, assets and liabilities of Srei Infrastructure Finance Limited (SIFL) to Srei Equipment Finance Limited (SEFL) as a going concern basis by way of slump exchange w.e.f. from 01st October, 2019, the new business of SIFL is largely predicated on Infrastructure Advisory, Financial Solutions Advisory and Fee Based Business.

Credit Risk is the risk of loss that occurs when a borrower or counterparty fails to meet its obligations in accordance with agreed terms, thus resulting in financial loss. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company's credit risk policies are approved by the Board from time to time which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of SIFL was not available and hence ECL for non-funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and / or expected realisable value of security / collateral. Additionally, the company may also carry out reviews for specifically identified exposures by the management as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. 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.

## Analysis of risk concentration

Particulars	(₹ in Lacs)					
	As at 31st March, 2023			As at 31st March, 2022		
	Subsidiary	Others	Total	Subsidiary	Others	Total
Investments	3,017	41,031	44,048	3,017	25,429	28,446
Receivable	-	663	663	-	1,078	1,078

## 40. Transfers of financial assets

### Transfers of financial assets that are not derecognised in their entirety :

There was no such transaction during the year ended 31st March, 2023 and 31st March, 2022.

### 41. Assets obtained by taking possession of collateral

The Company has not obtained any non-financial assets during the current and previous year by taking possession of assets held as security against credit facility.

## 42. Disclosure pursuant to Ind AS 19 - Employee Benefits

### Defined contribution plans

The Company has recognised, in Statement of Profit and Loss for the year ended 31st March, 2023 an amount of ₹ 12 Lacs (Previous year ₹ 26 Lacs) as expenses under defined contribution plans in respect of qualifying employees. The Company has no obligation other than Provident Fund, Employee State Insurance Scheme, National Pension Scheme and Labour Welfare Fund. The contributions are charged to profit and loss as they accrue.

The amount recognised as an expense towards employers contribution to the aforesaid funds are as below :

Particulars	(₹ in Lacs)	
	2022-23	2021-22
Provident Fund	11	22
Employee State Insurance Scheme	*	*
National Pension Scheme	1	4

\* ₹ 5,508/- (Previous year : ₹ 5,477/-).

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## Defined benefit plans

### (A) Gratuity Fund :

The Company makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the Company. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Company have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

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. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

### 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 31st March, 2023.

### 42.1 Particulars in respect of employee benefits of the Company are as follows :

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Change in the defined benefit obligation</b>				
Present Value of Obligation at the Beginning of the Year	60	73	6	33
Current Service Cost	4	9	3	-
Interest Cost*	4	5	0	0
Past Service Cost - Plan Amendments	-	-	-	-
Acquisitions Cost / credit	-	-	-	9
Actuarial (gain) / loss	(25)	(20)	(3)	7
Benefits paid	(15)	(7)	(4)	(44)
<b>Present Value of Obligation at the end of the Year</b>	<b>28</b>	<b>60</b>	<b>2</b>	<b>6</b>
<b>Change in plan assets</b>				
Fair value of Plan Assets at the Beginning of the Year	68	67	NA	NA
Expected return on Plan Assets	4	8	NA	NA
Acquisitions Cost / credit	-	-	NA	NA
Contributions by the Employer	1	-	NA	NA
Benefits paid	(15)	(7)	NA	NA
<b>Fair value of Plan Assets at the end of the Year</b>	<b>58</b>	<b>68</b>	<b>-</b>	<b>-</b>

\*Amount mentioned as '0' is below rounding off threshold adopted by the Company.



# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## Basis used to determine the Expected Rate of Return on Plan Assets

The expected return on plan assets is determined based on government bond rate.

Description	Gratuity		Leave	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
(₹ in Lacs)				
<b>Amount recognised in Balance Sheet consists of :</b>				
Fair value of Plan Assets at the end of the Year	58	68	-	-
Present Value of Obligation at the end of the Year	28	60	2	6
Net (Asset) / Liabilities recognised in the Balance Sheet in respect of defined benefits	(30)	(8)	2	6

Description	Gratuity		Leave	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
(₹ in Lacs)				
<b>Expenses recognised in the statement of profit and loss consists of :</b>				
<b>Employee benefits expenses:</b>				
Current Service cost	4	9	3	-
Past Service Cost - Plan Amendments	-	-	-	-
Net Interest cost*	(1)	0	0	0
Net Actuarial (gain) / loss	-	-	(3)	7
<b>Total [A]</b>	<b>3</b>	<b>9</b>	<b>0</b>	<b>8</b>
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	(24)	(23)	-	-
Actuarial (Gain) / Loss from financial assumptions	-	-	-	-
Return on plan assets (excluding amounts included in net interest cost)	-	-	-	-
<b>Total [B]</b>	<b>(24)</b>	<b>(23)</b>	<b>-</b>	<b>-</b>
<b>Expense recognised during the year [A+B]</b>	<b>(21)</b>	<b>(14)</b>	<b>0</b>	<b>8</b>

\*Amount mentioned as '0' is below rounding off threshold adopted by the Company.

## 42.2 Particulars of Investment Details of Plan Assets are as follows :

Description	Gratuity % Invested		Leave % Invested	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
(₹ in Lacs)				
<b>Investment Details of Plan Assets</b>				
Schemes of insurance - conventional products	100%	100%	Not Applicable	Not Applicable
<b>Total</b>	<b>100%</b>	<b>100%</b>		

## 42.3 Principal Assumptions used 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%
	Age 20-25 : 5.0%	Age 20-25 : 5.0%	Age 20-25 : 5.0%	Age 20-25 : 5.0%
	Age 25-30 : 3.0%	Age 25-30 : 3.0%	Age 25-30 : 3.0%	Age 25-30 : 3.0%
	Age 30-35 : 2.0%	Age 30-35 : 2.0%	Age 30-35 : 2.0%	Age 30-35 : 2.0%
	Age 35-50 : 1.0%	Age 35-50 : 1.0%	Age 35-50 : 1.0%	Age 35-50 : 1.0%
	Age 50-55 : 2.0%	Age 50-55 : 2.0%	Age 50-55 : 2.0%	Age 50-55 : 2.0%
	Above Age 55 : 3.0%	Above Age 55 : 3.0%	Above Age 55 : 3.0%	Above Age 55 : 3.0%
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

42.4 The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

42.5 Expected employers contribution towards gratuity fund for the year ended 31st March, 2023 is ₹ NIL Lacs as per actuarial report.

## Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

### 42.6 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 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.

	As at 31st March, 2023				As at 31st March, 2022			
	Gratuity		Leave		Gratuity		Leave	
	%	₹ (in Lacs)	%	₹ (in Lacs)	%	₹ (in Lacs)	%	₹ (in lacs)
Discount Rate + 100 basis points	-10.6%	(3)	-11.0%	(0)	-4.3%	(3)	-3.4%	(0)
Discount Rate - 100 basis points	12.2%	3	12.8%	0	4.9%	3	4.0%	0
Salary Increase Rate + 1%	7.9%	2	12.7%	0	3.2%	2	4.0%	0
Salary Increase Rate - 1%	-7.0%	(2)	-11.1%	(0)	-3.5%	(2)	-3.5%	(0)

### 42.7 Maturity Analysis of The Benefit Payments

(₹ in Lacs)

Expected payment for future years	As at 31st March, 2023		As at 31st March, 2022	
	Gratuity	Leave	Gratuity	Leave
Year 1	0	0	27	4
Year 2	1	0	13	1
Year 3	1	0	1	0
Year 4	1	0	1	0
Year 5	1	0	1	0
Next 5 Years	21	1	19	1

**42.8** Weighted average duration of defined benefit obligations : Gratuity - 12 years (31st March, 2022: 5 years). Leave - 13 years (31st March, 2022 : 4 years).

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 43. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

### Related Parties :

Sl. No.	Name of the Company	Country of Origin
<b>A. Holding Company :</b>		
1.	Adisri Commercial Private Limited	India
<b>B. Subsidiary of Holding Company :</b>		
1.	Srei Factors Private Limited	India
2.	Adisri Strategic Advisors Private Limited	India
3.	Adisri Leasing Private Limited	India
<b>C. Subsidiaries &amp; step - down subsidiaries :</b>		
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.	Bengal Srei Infrastructure Development Limited	India
9.	Trinity Alternative Investment Managers Limited	India
10.	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
11.	Cyberabad Trustee Company Private Ltd. (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
<b>D. Trusts :</b>		
1.	Srei Mutual Fund Trust	India
<b>E. Others :</b>		
1.	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
<b>F. Key Management Personnel (KMP) / Directors :</b>		
1.	Mr. Hemant Kanoria *	Chairman
2.	Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
3.	Mr. Shyamalendu Chatterjee *	Independent Director
4.	Mr. Malay Mukherjee *	Independent Director
5.	Dr. Punita Kumar Sinha *	Independent Director
6.	Dr. Tamali Sengupta *	Independent Director
7.	Dr. Deepali Pant Rajeev Joshi (w.e.f. 30.06.2021) *	Additional Director (Category : Independent Director)
8.	Mr. Ram Krishna Agarwal (ceased w.e.f. 17.09.2021)	Independent Director
9.	Mr. Srinivasachari Rajagopal (ceased w.e.f. 30.06.2021)	Independent Director
10.	Mr. Rakesh Kumar Bhutoria (cease w.e.f. 15.09.2021)	Chief Executive Officer
11.	Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. 07.12.2021)	Chief Financial Officer
12.	Mr. Rajneesh Sharma (w.e.f. 04-10-2021) **	Administrator
13.	Mr. Souren Mokhopadhyay (from 30.06.2021 to 18.07.2022)	Deputy Chief Executive Officer
14.	Mr. Manoj Kumar (w.e.f. 01.04.2021)	Company Secretary & Chief Financial Officer
15.	Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Chief Compliance Officer & Financial Controller
16.	Mrs. Mahua Mukherjee (w.e.f. 30.06.2021 to 18.07.2022)	Relative of KMP
17.	Mrs. Sangita Agarwal (w.e.f. 21.03.2022 to 31.03.2022)	Relative of KMP

\* 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.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance as at	For the Year ended	Balance as at
		31st March, 2023	31st March, 2023	31st March, 2022	31st March, 2022
<b>(A) Subsidiaries :</b>					
Trinity Alternative Investment Managers Ltd	Amount recoverable	-	5	5	5
	Reimbursement of professional fess paid	1	-	-	-
	Rental Received / Receivable	-	-	3	-
Srei Insurance Broking Private Limited	Rental Received	3	-	11	-
	Dividend Income	100	-	-	-
	Reimbursement of IT Cost	1	-	-	-
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	Subscription to Equity Shares	-	-	-	90
Srei Capital Market Ltd	Rental Received	-	-	2	-
Srei Equipment Finance Limited	Security Deposit Received	-	15,000	-	15,000
	Rental Received / Receivable	79	229*	20	229*
	Rent Paid / Payable	14	-	3	3
	Reimbursement of IT Cost Received	20	-	-	-
	Intercorporate Deposit Received	31	25,671	18	25,723
Srei Equipment Finance Limited	Refund of Intercorporate Deposit Received	84	-	2,350	-
	Pre-CIRP claim payable	107	107	-	-
	Other Payable : Advance Received #	208	-	1,559	-
	Other Payable : Refund of Advance Received #	208	-	3,315	-
	Closure of BG	116	-	88	-
	BG issued from SEFL limit	-	301	-	416

\* Rent receivables excludes GST for ₹ 38 Lacs. (FY 21-22 - ₹ 38 Lacs)

# This represents amount received / paid on behalf of subsidiary Company, Srei Equipment Finance Ltd as agent and trustee

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance as at	For the Year ended	Balance as at
		31st March, 2023	31st March, 2023	31st March, 2022	31st March, 2022
<b>(B) Remuneration to Key Management Personnel (KMP) :</b>					
Mr. Rakesh Bhutoria (ceased w.e.f. close of business hours of 15.09.2021)	Remuneration	-	#70	107	#70
Mr. Souren Mukhopadhyay (ceased to be a KMP w.e.f. 18.07.2022)	Remuneration	38	-	49	-
Mr. Sandeep Kumar Sultania (ceased w.e.f. 07.12.2021)	Remuneration	-	#7	54	#7
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Remuneration	45	-	39	-
Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Remuneration	39	-	1	-
Mr. Sandeep Lakhotia (ceased w.e.f. close of business hours of 20.03.2021)	Remuneration	-	-	-	12
Mr. Malay Mukherjee (ceased w.e.f. 08.10.2021)	Sitting Fees	-	1	13	1
Mr. Ram Krishna Agarwal (ceased w.e.f. 17.09.2021)	Sitting Fees	-	1	9	1
Mr. Sunil Kanoria	Sitting Fees	-	-	7	-
Mr. S. Rajagopal (ceased w.e.f. 30.06.2021 from the close of business hours)	Sitting Fees	-	-	8	-
Dr. Deepali Pant Rajeev Joshi (w.e.f. 30.06.2021)	Sitting Fees	-	-	3	-
Mr. Shyamalendu Chatterjee	Sitting Fees	-	-	9	0*
Dr. Punita Kumar Sinha	Sitting Fees	-	-	9	-
Dr. Tamali Sengupta	Sitting Fees	-	-	9	-
Mr. Rajneesh Sharma (w.e.f. 04.10.2021)	Consultancy	54	-	27	-
Mrs. Mahua Mukherjee, relative of KMP (w.e.f. 30.06.2021 to 18.07.2022)	Car Hire Charges	2	-	5	-
Mrs. Sangita Agarwal, relative of KMP (w.e.f. 21.03.2022)	Car Hire Charges	-	-	***	-

\*Amount mentioned as '0' is below rounding off threshold adopted by the Company.

# Balance as at 31st March, 2023 & 31st March, 2022 is due to the restrictions imposed by the Lenders wherein the salary of employee was capped to ₹ 50 Lacs p.a. during the period November, 2020 to March, 2021. The Company has made provision of arrear salary of those employees as the same is payable as per the contractual obligations. The employees have filed their claim under CIRP.

Note : Figures pertaining to the previous period have been rearranged / regrouped, wherever considered necessary, to make them comparable with those of the current period.

\*\*\* ₹ 16,129/-.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

(F) Compensation to KMPs :			(₹ in Lacs)
Particulars	2022-23	2021-22	
Short - term benefit	167	262	
Other long - term employee benefit	3	-	
Post - employment benefit	7	15	

## 44. Leases

### a. In the capacity of Lessee

The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
  - (i) The Company has certain cancellable operating lease arrangements for office premises, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals.
  - (ii) The Company had no non-cancellable operating lease arrangements for office premises during current and previous year.
  - (iii) Disclosure in accordance to Ind AS 116 is as below :

No. Particulars	2022-23	2021-22	(₹ in Lacs)
a Short term lease payment	-	-	
b Expense relating to leases of low - value assets	-	-	
c Variance lease payments not included in the measurement of lease liability	-	-	
d Income from subleasing right of use assets	-	87	
e Total Cash outflow for leases	2	604	
f Interest expense on Lease liability	-	145	

- g The future lease payments considered for lease liability on an undiscounted basis are as follows :

Particulars	As at 31st March, 2022-23	As at 31st March, 2021-22	(₹ in Lacs)
Less than one year	1	1	
One to five years	1	1	
More than five years	-	-	
<b>Total</b>	<b>2</b>	<b>2</b>	

- h Details of right of use assets and its movement is as below :

Particulars	Opening As at April 1, 2022	Additions	Adjustment	Closing As at 31st March, 2023	(₹ in Lacs)
<b>Office Premises :</b>					
Right of use Assets	2	-	-	2	
Accumulated Depreciation / Amortisation	1	-	-	1	
<b>Net Carrying amount</b>				<b>1</b>	

Particulars	Opening As at April 1, 2021	Additions	Adjustment	Closing As at 31st March, 2022	(₹ in Lacs)
<b>Office Premises :</b>					
Right of use Assets	2,754	-	2,752	2	
Accumulated Depreciation / Amortisation	979	378	1,356	1	
<b>Net Carrying amount</b>				<b>1</b>	

**Note:** During the previous year lease with net carrying amount of ₹ 1,396 Lacs was terminated.

- i The weighted average incremental borrowing rate applied to lease liability for the year ended 31st March, 2023 and 31st March, 2022 is considered as 11.50%.

### b. In the capacity of Lessor

- (i) The Company also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

(ii) Details of rental income towards operating lease for assets and office premises including sublease are as follows :

(₹ in Lacs)		
Particulars	2022-23	2021-22
Rental Income on the basis of earnings of the Lessee	-	-
Others	403	396
<b>Total Rental Income</b>	<b>403</b>	<b>396</b>

(iii) Details of fixed future lease receivable towards operating lease for assets and office premises are as follows :

(₹ in Lacs)		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Within 1 year	393	362
1-2 year	371	301
2-3 year	302	284
3-4 year	296	284
4-5 year	326	295
> 5 year	560	897
<b>Total</b>	<b>2,248</b>	<b>2,423</b>

## 45. Maturity analysis of assets and liabilities

The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under Section 14 of the Code. The Maturity analysis of assets and liabilities have been worked out based on certain assumption and principals as given in the note below.

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lacs)						
Assets	As at 31st March, 2023			As at 31st March, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	3,719	-	3,719	1,100	-	1,100
Bank Balance other than above	187	78	265	250	3	253
Trade Receivables	663	-	663	1,078	-	1,078
Investments	-	44,048	44,048	-	28,446	28,446
Other Financial Assets	78	66	144	495	76	566
Current Tax Assets (Net)	-	5,332	5,332	120	7,840	7,960
Property, Plant and Equipment	-	9,187	9,187	-	9,421	9,421
Right to use assets	-	1	1	-	1	1
Other Intangible Assets	-	1	1	-	3	3
Other Non-Financial Assets	40	5	45	44	113	157

Liabilities	As at 31st March, 2023			As at 31st March, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Trade Payables *	269	-	681	969	166	1,135
Borrowings (Other than Debt Securities) *	-	-	25,671	-	-	25,723
Subordinated Liabilities	-	33,000	33,000	-	33,000	33,000
Lease Liabilities	1	1	2	1	1	2
Other Financial Liabilities *	323	-	16,044	639	610	16,377
Provisions	6	-	6	12	-	2
Other Non-Financial Liabilities *	4	-	68	148	-	148

\* Repayments of trade payable, borrowings, other financial & non-financial liabilities pertaining to pre-CIRP period are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2, 52 and 53).

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

46. Information as required by Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure - I attached herewith. These disclosures are prepared under Ind AS issued by MCA.

## 47. Business Transfer Agreement

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

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

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

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

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

Both the schemes of arrangement were rejected by the majority of the creditors during the meetings held pursuant to the Hon'ble NCLT's directions dated 21st October, 2020 and 30th December, 2020 respectively. Further, certain appeals were filed by rating agencies in the matter relating to the second scheme of arrangement (i.e. CA 1492/KB/2020). An application of withdrawal was filed by the Administrator in this matter in National Company Law Appellate Tribunal (NCLAT) which has been allowed by NCLAT by an order dated 11th February, 2022. As stated in Note - 48 below, the Company is in the process of consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes as stated above. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained.

## 48. Consolidated Resolution under CIRP

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

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

The application in this matter was admitted and the final order received on 14th February, 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 18th January, 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 15th February, 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 18th February, 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.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

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

CIRP has been initiated against the Company, as stated in Note No. 1.2 and accordingly, as per the Code, the Administrator has invited the financial / operational / other creditors to file their respective claims as on 8th October, 2021 (i.e. date of commencement of CIRP). As per the Code, the Administrator has to receive, collate and verify all the claims submitted by the creditors of the Company.

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

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

51. The Company is unable to transfer 66,215 Equity shares pertaining to the Financial Year 2014-15, due for transfer to the Investor Education and Protection Fund in accordance with the applicable provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 because of inability of the Company to file GNL - 2 form due to technical reasons as stated in Note No. 15.1. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.

## 52. Going Concern

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

There is persistent strain on the working capital and operations of the Company and it is undergoing significant financial stress. As stated in Note No. 1.2, CIRP was initiated in respect of the Company w.e.f. 8th October, 2021. The Company has assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial results has been prepared on a going concern assumption basis as per below :

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

CIRP is undergoing and as per the process, the Consolidated CoC took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on 18th January, 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 15th February, 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 18th February, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

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

## 53. Probable Connected / Related Companies

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

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



# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

independent Chartered Accountant firm, which states that the transactions of the Company / SEFL with probable connected parties were done at arm's length principles and are in the ordinary course of business and that such parties are not related parties of the Company / SEFL under the Act or Ind AS 24.

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

Out of Accounts referred by the RBI in the directions, the Administrator has received account wise transaction audit reports, which has identified certain transactions as fraudulent in nature under Section 66 of the Code, including undervalued transactions. In respect of such accounts, the Administrator has filed applications under Section 60(5) and Section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till 5th May, 2023 for adjudication. Since, the entire loan portfolio was transferred by SIFL to SEFL under BTA (referred in Note No. 47 above), the aforementioned transactions are appearing in the books of SEFL currently. SEFL has also made 100 % impairment on such accounts. The transaction audit has been completed and the necessary impact of the same has been incorporated by SEFL in their financial results.

**54.** The Company has not filed the GST Annual Return - GSTR 9C for the financial years 2020-21 and 2021-22. The GST liabilities arising thereon including the amount of interest and penalty on the above is not ascertainable at this stage.

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

## 56. Analytical Ratios

Particulars	As at 31st March, 2023			As at 31st March, 2022	% Variance	Reasons for variance (if above 25%)
	Numerator (A)	Denominator (B)	Ratio (A/B)			
Capital to risk - weighted assets ratio (CRAR)	(17,052)	54,843	-31.09%	-7.82%	-23.27%	
Tier I CRAR	(17,052)	54,843	-31.09%	-7.82%	-23.27%	*
Tier II CRAR #	-	-	0.00%	0.00%	0.00%	
Liquidity Coverage Ratio	Not Applicable					
(A) numerator denotes Net Owned fund						
(B) demoninator denotes Total Risk Weighted Assets / Off books exposures						

# As at 31st March, 2023 and 31st March, 2022 subordinated debts (Tier II capital) have not been considered in Total capital as Tier I capital is negative.

\* Reasons for variances are not determinable pursuant to initiation of CIRP.

**57.** In accordance to Ind AS 108 - "Operating Segments", the required disclosure is done in the Consolidated Financial Statement of the Company.

**58.** The Ministry of Corporate Affairs (MCA) vide its letter dated 18th April, 2023 has initiated inspection into the affairs of the Company and has sought information and documents under Section 206(5) of the Act. The Company is in the process of providing necessary documents as required by MCA.

**59.** The Enforcement Directorate (ED) on 31st January, 2023 conducted simultaneous investigation on office premises of the Company and its subsidiary, Srei Equipment Finance Ltd. The Company and its officials are co-operating and providing the required information / documents as available.

**60.** List of Creditors (including Financial, Operational, Workmen & Employees and Other Creditors) and Security Interest, as approved by RP, disclosed on Company Website for all claims received by the Company pursuant to public announcement made on 8th October, 2021 in accordance with Section 13 and 15 of Insolvency and Bankruptcy code, 2016 read with Regulation 6 of CIRP Regulations.

**61.** Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

### For D. K. Chhajer & Co.

Chartered Accountants  
ICAI Firm Registration No. 304138E

### Manoj K Roongta

Partner  
Membership No. 057761  
Place : Kolkata  
Date : 16th May, 2023

### For and on behalf of Srei Infrastructure Finance Ltd.

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

### Rajneesh Sharma

Administrator Appointed Under IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Ltd 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 - sreiaadministrator@srei.com

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

## ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS (Refer Note No. 46)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 1. Capital to Risk Assets Ratio (CRAR)

		(₹ in Lacs)	
Sl.	Particulars	As at 31st March, 2023	As at 31st March, 2022
i)	CRAR (%)	-31.09%	-7.82%
ii)	CRAR - Tier I Capital (%)	-31.09%	-7.82%
iii)	CRAR - Tier II Capital (%)	0.00	0.00
iv)	Amount of subordinated debt raised as Tier-II capital*	-	-
v)	Amount raised by issue of Perpetual Debt Instruments *	-	-

\* During the year figure

### 2. Exposure to Real Estate Sector

		(₹ in Lacs)	
Category		As at 31st March, 2023	As at 31st March, 2022
<b>a) Direct exposure</b>			
i)	Residential Mortgages	-	-
ii)	Commercial Real Estate	-	-
iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
iv)	Infrastructure Real Estate (SEZ's, Industrial Parks, IT Parks, Hotels)	-	-
<b>b) Indirect exposure</b>		<b>185</b>	<b>186</b>

### 3. Asset Liability Management

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

		(₹ in Lacs)									
Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	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 (Unclaimed)	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments [refer note - 1 below]	-	-	-	-	-	-	-	41,031	-	3,017	44,048
Borrowings (refer note - 2 and 3 below)	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

#### Notes:

- The maturity pattern of Investments has been considered on the basis of Managements best estimates.
- The ICD of ₹ 25,671 Lacs from the subsidiary company, Srei Equipment Finance Limited pertains to Pre-CIRP period and repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 52 and 53).
- Perpetual Debt Instruments amounting to ₹ 33,000 Lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

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

Particulars	(₹ in Lacs)										
	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	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 (Unclaimed)	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments [refer note - 1 below]	-	-	-	-	-	-	-	25,429	-	3,017	28,446
Borrowings (refer note - 2 and 3 below)	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

#### Notes :

- The maturity pattern of Investments has been considered on the basis of Managements best estimates.
- The ICD of ₹ 25,723 Lacs from the subsidiary company, SREI Equipment Finance Limited pertains to Pre-CIRP period and repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 52 and 53).
- Perpetual Debt Instruments amounting to ₹ 33,000 Lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>4. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>				
(a) Debentures / Bonds :				
Secured	-	-	-	-
Unsecured (Other than falling within the meaning of public deposit)	33,000	-	33,000	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter - corporate loans and borrowing	25,671	-	25,723	-
(e) Commercial Papers	-	-	-	-
(f) Public Deposit	-	-	-	-
(g) Other Loans :				
Working capital facility	-	-	-	-
<b>Break-up of (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits				

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Assets Side	(₹ in Lacs)	
	As at 31st March, 2023 Amount Outstanding	As at 31st March, 2022 Amount Outstanding
<b>5. Break-up of Loans and Advances including bills receivables [other than those included in (6) below] :</b>		
(a) Secured	-	-
(b) Unsecured	-	-
<b>6. Break-up of Leased Assets and Stock on Hire and other assets counting towards asset financing activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>7. Break up of Investments \$</b>		
<b>Current Investments</b>		
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		
(b) Preference		
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
<b>Long - Term investments</b>		
1 Quoted :		
(i) Shares : (a) Equity	16,285	20,306
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	1	1
(iv) Government Securities	-	-
(v) Others		

\$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA. All investment are considered as Long term investment for above disclosure.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

		(₹ in Lacs)	
Assets Side		As at 31st March, 2023	As at 31st March, 2022
		Amount Outstanding	Amount Outstanding
2	Unquoted :		
	(i) Shares : (a) Equity	3,055	3,054
	(b) Preference	-	-
	(ii) Debentures, bonds / units	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Investment in Funds, Trust, Share Warrant & Deemed Investment)	24,707	5,085

## 8. Borrower group - wise classification of assets financed as in (5) and (6) above :

		(₹ in Lacs)					
Category		As at 31st March, 2023			As at 31st March, 2022		
		Amount net of provisions*			Amount net of provisions*		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group						
	(c) Other related parties						
2	Other than related parties						
<b>Total</b>		-	-	-	-	-	-

## 9. Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) @ :

		(₹ in Lacs)			
Category		As at 31st March, 2023		As at 31st March, 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)
1	Related Parties **				
	(a) Subsidiaries	3,017	3,017	3,017	3,017
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	41,031	41,031	25,429	25,429
<b>Total</b>		<b>44,048</b>	<b>44,048</b>	<b>28,446</b>	<b>28,446</b>

\*\* All Indian Accounting Standards issued by MCA are applicable including for valuation of investments.

@ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA.

## 10. Other Information :

		(₹ in Lacs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
		Amount	Amount
i.	Gross Non-Performing Assets		
	(a) Related Parties	-	-
	(b) Other than related Parties	-	-
ii.	Net Non-Performing Assets		
	(a) Related Parties	-	-
	(b) Other than related Parties	-	-
iii.	Assets acquired in satisfaction of debt	-	-

1 As defined in point xxvii of paragraph 3 of Chapter - II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

2 Provisioning norms shall be applicable as prescribed in Ind AS issued by MCA.

3 All notified Indian Accounting Standards and Guidance Notes issued by MCA are applicable including for valuation of investments and other assets acquired in satisfaction of debt.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

## 11. Investments

(₹ in Lacs)

Sl. Particulars	As at 31st March, 2023	As at 31st March, 2022
1) Value of Investments		
i) Gross Value of Investments		
a) In India	3,55,241	3,39,639
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	3,11,193	3,11,193
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	44,048	28,446
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening Balance	3,11,193	3,11,193
ii) Add : Provisions made during the year	-	-
iii) Less : Write - off / write - back of excess provisions during the year	-	-
iv) Closing Balance	3,11,193	3,11,193

## 12. Forward Rate Agreement / Interest Rate Swap

(₹ in Lacs)

Sl. Particulars	As at 31st March, 2023	As at 31st March, 2022
i) The notional principle of swap agreements	Nil	Nil
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
iv) Concentration of credit risk arising from the swaps	Nil	Nil
v) The fair value of the swap book	Nil	Nil

## 13. Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lacs)

Sl. Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Notional Principal amount of exchange traded IR derivatives undertaken during the year (instrument - wise)	Nil	Nil
ii) Notional Principal amount of exchange traded IR derivatives outstanding (instrument - wise)	Nil	Nil
iii) Notional Principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument - wise)	Nil	Nil
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument - wise)	Nil	Nil

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

## 14. Disclosures on Risk Exposure in Derivatives

### (i) Qualitative Disclosure

The structure and organization for management of risk in derivatives trading, is not applicable since the Company is not engaged in derivative trading.

### (ii) Quantitative Disclosures

(₹ in Lacs)

Sl. Category	As at 31st March, 2023		As at 31st March, 2022	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
For hedging	Nil	Nil	Nil	Nil
ii) Marked to Market Positions [1]				
a) Asset (+)	Nil	Nil	Nil	Nil
b) Liability (-)	Nil	Nil	Nil	Nil
iii) Credit Exposure [2]	Nil	Nil	Nil	Nil
iv) Unhedged Exposures	-	-	-	-

## 15. Exposure to Capital Market

(₹ in Lacs)

Sl. Particulars	As at 31st March, 2023	As at 31st March, 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;	19,341	23,361
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;	-	-
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)	24,707	5,085
<b>Total Exposure to Capital Market</b>	<b>44,048</b>	<b>28,446</b>

## 16. Provisions and Contingencies

(₹ in Lacs)

Sl. Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Year ended 31st March, 2023	Year ended 31st March, 2022
i) Provisions for depreciation on Investment	-	-
ii) Provision towards NPA	-	-
iii) Provision for Impairment on Loans	-	-
iv) Provision made towards Income tax	-	-
v) Provision for Standard Assets#	-	-
vi) Other Provision and Contingencies (with details)		
Provision for Impairment on other financial assets	194	457

# Provision for standard assets is included in Provision for Impairment on Loans.

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

## 17. Concentration of Advances

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Total Advances to twenty largest borrowers	-	-
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.00%	0.00%

## 18. Concentration of Exposures

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Total Exposure to twenty largest borrowers / customers	-	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.00%	0.00%

## 19. Concentration of NPAs @

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Total Exposure to top four NPA accounts	-	-

@ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

## 20. Sector - wise NPAs

Sl. Sector	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Others	-	-

## 21. Movement of NPAs

Sl. Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
i) Net NPAs to Net Advances (%)	0.00%	0.00%
ii) Movement of NPAs (Gross)	-	-
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing Balance	-	-
iii) Movement of Net NPAs	-	-
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing Balance	-	-
iv) Movement of provisions for NPAs (excluding provisions on standard assets)	-	-
a) Opening Balance	-	-
b) Provisions made during the year	-	-
c) Write - off / write - back of excess provisions	-	-
d) Closing Balance	-	-



# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

## 22. Details of Non-performing Loan Assets purchased from other NBFCs

(₹ in Lacs)

Sl. Particulars	As at 31st March, 2023	As at 31st March, 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	-	-

## 23. Details of Non-performing Loan Assets sold to other NBFCs

(₹ in Lacs)

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

## 24. Ratings

Sl. Particulars	As at 31st March, 2023 Brickwork #	As at 31st March, 2022 Brickwork #
i) Long Term Banking facilities*	-	-
ii) Short Term Banking Facilities*	-	-
iii) Short Term Debt Instruments *	-	-
iv) NCDs / Bonds*	-	-
v) Unsecured Subordinated / Tier-II Debentures / Bonds*	-	-
vi) Subordinated Perpetual bonds / debentures (Tier I Capital)	BWR D	BWR D

### Detail of migration of ratings :

Sl. Particulars	2022-23 Brickwork #	2021-22 Brickwork #
i) Long Term Banking facilities*	-	-
ii) Short Term Banking Facilities*	-	-
iii) Short Term Debt Instruments *	-	-
iv) NCDs / Bonds*	-	-
v) Unsecured Subordinated / Tier-II Debentures / Bonds*	-	-
vi) Subordinated Perpetual bonds / debentures (Tier I Capital)	BRW D	from BRW BB to D

\* Borrowings transferred to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, as part of the business of the Company transferred to SEFL on and from 1st October, 2019 (refer note no. 47 of Notes to financial statement). The Rating Agencies is still continuing to issue the ratings in the name of the Company. As there is no outstanding in the books of the Company, the same is not being considered in the above table of outstanding ratings including its migration.

## 25. Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(₹ in Lacs)

Sl. Particulars	2022-23	2021-22
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / (loss) over net book value	-	-

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

## 26. Details of Security receipts held by Company is as below :

(₹ in Lacs)

Particulars	Backed by NPAs sold by the Banks / FIs / NBFC's as underlying		Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Under Investment	-	-	-	-	-	-
Under Loans	-	-	-	-	-	-

## 27. Details of Assignment transactions undertaken

(₹ in Lacs)

Sl. Particulars	2022-23	2021-22
i) No. of accounts	-	-
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	-	-

## 28. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the Prudential exposure limits during the current year and previous year in respect of exposure towards single borrower and group of borrowers.

## 29. Unsecured Loans / Advance

Unsecured Advance as at 31st March, 2023 is ₹ 6 Lacs (Previous year ₹ 11 Lacs).

## 30. Registration obtained from other financial sector regulators

The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 1st August, 1998 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration B-05.02773 / dt. 31st March 2011. The Company has received communication from RBI, to reclassify it as Investment and Credit Company for which the Company has made representation to RBI that the Company is under CIRP, the Company shall take suitable action post completion of CIRP. The Company is also a Public Financial Institution (PFI) notified under Section 4A of the Companies Act, 1956.

## 31. Disclosure of Penalties imposed by RBI and other regulators

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

No penalties has been imposed by RBI and other regulators during the financial year ended 31st March, 2022.

## 32. Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 19 of the Notes to the Financial Statements.

## 33. Off-balance Sheet SPVs sponsored

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Domestic	Overseas	Domestic	Overseas
Name of SPV sponsored	Nil	Nil	Nil	Nil

## 34. Details of Financing of Parent Company Products

Financing of Parent Company Products during the financial year ended 31st March, 2023 is Nil (Previous year Nil).

35. The Company has not done any Securitisation during the financial year ended 31st March, 2023 and 31st March, 2022.

## 36. Customer Complaints

Sl. Particulars	2022-23	2021-22
(a) No. of complaints pending at the beginning of the year	Nil	Nil
(b) No. of complaints received during the year	Nil	Nil
(c) No. of complaints redressed during the year	Nil	Nil
(d) No. of complaints pending at the end of the year	Nil	Nil

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

## 37. Disclosure of Fraud

**DISCLOSURES RELATING TO FRAUD IN TERMS OF THE NOTIFICATION ISSUED BY RESERVE BANK OF INDIA VIDE DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17**

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

**38.** The following table provides reconciliation of expected credit loss provided by the company in books under the provisions of Indian Accounting Standards with provisions required under norms prescribed by Reserve Bank of India.

As at 31st March, 2023 :

(₹ in Lacs)

Assets Classifications as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Sub-total for NPA</b>						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms*	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Sub-total</b>						
<b>Total</b>	<b>Stage 1</b>	-	-	-	-	-
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-

# Notes to the Financial Statements

for the year ended 31st March, 2023 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

As at 31st March 2022 :

(₹ in Lacs)						
Assets Classifications as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Sub-total for NPA</b>		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which not covered under current IRACP norms*	Stage 1	-	71	(71)	-	71
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Sub-total</b>		-	<b>71</b>	<b>(71)</b>	-	<b>71</b>
<b>Total</b>	<b>Stage 1</b>	-	<b>71</b>	<b>(71)</b>	-	<b>71</b>
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	-	-	-	-
	<b>Total</b>	-	<b>71</b>	<b>(71)</b>	-	<b>71</b>

\* In accordance to Ind AS 109, Financial guarantees are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per 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. Therefore, impairment provision on financial guarantee is disclosed as part of Financial Guarantee Liability under Note no. 15 'Other Financial Liabilities' to the financial statement.

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 under simplified approach as specified in Ind AS 109, wherein staging is not required. Therefore, same is not considered in above disclosure.

### 39. Disclosure on moratorium to borrowers in terms of RBI circular dated 17th April, 2020.

The Company is not undertaking lending business. Therefore, there are no such case as on 31st March, 2023 and 31st March, 2022.

### 40. Disclosures on MSME - Restructuring of Advances (RBI/2018-19/10 DBR.No.BP.BC.18/ 21.04.048/2018-19) dated 01.01.2019 and subsequent amendment thereto dated 11.02.2020 as required by RBI guidelines on Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances.

The Company is not undertaking lending business. Therefore, there are no such case for disclosure under above.

### 41. Disclosures as required by RBI circular dated 6th August, 2020 'Resolution Framework for COVID 19 - related Stress' are as below :

The Company is not undertaking lending business. Therefore, there are no such case for disclosure under above.

# Independent Auditors' Report

To the Members of Srei Infrastructure Finance Limited

## Report on the Audit of the Consolidated Financial Statements

### Disclaimer of Opinion

We were engaged to audit the Consolidated Financial Statements of Srei Infrastructure Finance Limited ("hereinafter referred to as "the Holding Company" or "SIFL") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and Trust, which comprise the Consolidated Balance Sheet as at 31 March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

We do not express an opinion on the accompanying Consolidated Financial Statements of the Group and Trust. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report and the uncertainties involved, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Statements.

We had issued a Disclaimer of Opinion Report basis the observations forming part of the report for the year ended 31 March, 2022.

### Basis for Disclaimer of Opinion

a) We draw reference to Note No. 1(a), 1.1 and 53 to the Consolidated Financial Statements which explains that since the Administrator has taken charge of the affairs of the Holding Company and its subsidiary, Srei Equipment Finance Limited ("hereinafter referred to as "SEFL") on 4 October, 2021, the Administrator is not liable or responsible for any actions prior to his appointment and regarding the information pertaining to the period prior to 4 October, 2021 he has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL, who were also part of SIFL and SEFL prior to the appointment of the Administrator. Note No. 53 to the Consolidated Financial Statements explains that the Administrator got conducted audits / reviews relating to the processes and compliances of the Holding Company and SEFL and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Insolvency and Bankruptcy Code (IBC), 2016 ("the Code").

Further as stated in Note No. 53, the Administrator of SIFL and SEFL received certain account wise transaction audit reports from the professional agency appointed as the transaction auditor indicating that there are certain transactions in SEFL which are fraudulent in nature under Section 66 of the Code including undervalued transactions. Accordingly, the Administrator has filed applications under Section 60(5) and Section 66 of the Code before the Kolkata Bench of the Hon'ble National Company Law Tribunal ("Hon'ble NCLT") on various dates till 5 May, 2023 for adjudication. As mentioned in the said Note, the transaction audit has been completed and the impact of the same has been incorporated in the financial statements of SEFL. However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any on the Consolidated Financial Statements of the Group.

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. 53 to the Consolidated Financial Statements explains that SEFL has considered Impairment Reserve amounting to ₹ 5,24,931 Lacs created in earlier periods as per Reserve Bank of India ("RBI") guidelines while calculating the impairment on such accounts which is not in accordance with Ind AS 109. Further, Note no. 55(i) to the Consolidated Financial Statements explains that basis revised ECL rates and the impairment reserve made in earlier periods in cases where they exceed gross exposure, SEFL made a lesser provision under the ECL, so as to restrict the net exposure at Nil, since no withdrawal from impairment reserve is permitted which is also not in accordance with Ind AS 109.

b) We draw reference to Note No. 54 to the Consolidated Financial Statements which states that SEFL adopted a policy, to not recognize interest income on accounts in which transactions are determined as fraudulent by them. Had SEFL recognized the interest income, as aforesaid, interest income would have been higher by ₹ 59,237 Lacs for the year ended 31 March, 2023 and consequently, the ECL provision would also have been higher by ₹ 59,237 Lacs for the year ended 31 March, 2023 resulting in no change in the loss for the year ended 31 March, 2023.

c) We draw reference to Note No. 55(i) to the Consolidated Financial Statements which explains that the Administrator as part of the Corporate Insolvency Resolution Process ("CIRP") had appointed, two (2) independent valuers to conduct valuation of the assets of the Holding Company and SEFL and assets / collateral held as securities. The valuation reports of the same have been submitted to the Consolidated Committee of Creditors (CoC) members and the same have not been made available to us on grounds of confidentiality. Since the Consolidated 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, on the Consolidated Financial Statements.

d) We draw reference to Note No. 56(a) to the Consolidated Financial Statements which states that SEFL has not provided for ₹ 4,66,134 Lacs for the year ended 31 March, 2023, pursuant to its admission under the CIRP in respect of SEFL's obligation for interest amount on all the borrowings since insolvency commencement date i.e., 8 October, 2021.

Note No. 56(b) to the Consolidated Financial Statements which states that pursuant to its admission under the CIRP, SIFL has not provided for ₹ 3,300 Lacs for the year ended 31 March, 2023, in respect of SIFL's obligation for interest on non-convertible perpetual bond since the insolvency commencement date i.e., 8 October, 2021.

Had SIFL and SEFL provided their obligation for interest, as aforesaid, loss before tax for the year ended 31 March, 2023 would have increased by ₹ 4,69,434 Lacs.

e) We draw reference to Note No. 57 to the Consolidated Financial Statements which explains that during the financial year 2019-20, the Holding Company and SEFL accounted for the slump exchange transaction and consequently recognized and derecognized the relevant assets and liabilities in their books of account, pursuant to the Business

Transfer Agreement ('BTA') with SEFL, with effect from 1 October, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of SIFL and SEFL obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. The Note further explains that during the financial year 2020-2021, SEFL had filed two separate applications under Section 230 of the 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 Schemes were pending before Hon'ble NCLT / NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. Both the Schemes 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 11 February, 2022.

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

- f) We draw reference to Note No. 59 to the Consolidated Financial Statements which explains that the Administrator has invited the financial / operational / other creditors to file their respective claims, as on 8 October, 2021. As per the said Note, admission of claims of the financial / operational / other creditors received by the Administrator is completed and the effect of the same has been given in the books of account. However, the figures of the claims admitted in the books of account might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial / operational / other creditors. Hence, adjustments, if any, arising out of such additional information, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Consolidated Financial Statements.

Further Note No. 59 to the Consolidated Financial Statements also explains that SEFL as per the Code on the date of commencement of CIRP i.e., 8 October, 2021 has converted foreign currency debt into INR and accordingly has not translated its foreign currency exposure as on 31 March, 2023, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Consolidated Financial Statements.

- g) We draw reference to Note No. 60 to the Consolidated Financial Statements which explains the reasons owing to which SEFL has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to ₹ 27,272 Lacs as at 31 March, 2023, as per contractual terms. As stated, in the said note, SEFL has reported the above fact to RBI and reply of the same is awaited from RBI. We are unable to comment on the impact of the same, if any or any other consequences arising out of such non-compliance on the Consolidated Financial Statements.
- h) We draw reference to Note No. 6 (iv) to the Consolidated Financial

Statements which explains that Trinity Alternative Investments Managers Limited (Trinity) has not provided NAV as on 31 March, 2023 of two funds managed by them in which the Holding Company has invested. The Holding Company has valued its investments in these funds at ₹ 3,900 Lacs which is the NAV that existed as on 30 September, 2022. In the absence of NAV of the funds as on 31 March, 2023, we are unable to comment on the impact of such valuation on the Consolidated Financial Statements.

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

- i) We draw reference to Note No. 62 to the Consolidated Financial Statements which explains that SIFL has not received Board approved financial results of 01 subsidiary, viz. Trinity Alternative Investment Managers Limited and 02 subsidiaries of Trinity (step down subsidiaries of SIFL), viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited for the quarters ended 30 June, 2022, 30 September, 2022, 31 December, 2022, 31 March, 2023 and year ended 31 March, 2023 despite written request and follow ups and accordingly, the financial statements of these companies have not been considered for consolidation as on 31 March, 2023. Accordingly, the consolidated financial statements for the year ended 31 March, 2023 are not comparable with the consolidated financial statements for the year ended 31 March, 2022. We are unable to comment on the possible impact of the same on the consolidated financial statements for the year ended 31 March, 2023 or any other consequences arising out of such non-compliance on the Consolidated Financial Statements.
- j) We draw reference to Note No. 64 to the Consolidated Financial Statements which explains that the erstwhile management of SIFL and SEFL, as per the specific directions from RBI in relation to certain borrowers referred to as 'probable connected parties / related parties', in line with arm's length principles, was in the process of re-assessing and re-evaluating the relationship with the said borrowers to assess whether they are related parties to SIFL or to SEFL. The erstwhile management of SEFL was in the process of re-assessing and re-negotiating terms and conditions with such borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project. However, the said process was not concluded and meanwhile SIFL and SEFL have gone into CIRP. As stated in the said note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's direction since these pertain to the period prior to the Administrator's appointment. As stated in paragraph 2(a) above, the Administrator got conducted transaction audit / review relating to the process and compliance of SIFL and SEFL and had also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code, which is in process. Out of Accounts referred by the RBI in the directions, the Administrator has received certain account - wise transaction audit reports, which has identified some of such accounts as fraudulent in nature under Section 66 of the Code, including undervalued transactions. In respect of such accounts, the Administrator has filed applications under Section 60(5) and Section 66 of the Code before the Hon'ble NCLT on various dates

till 5 May, 2023 for adjudication. Further, the Note also states that the entire loan portfolio was transferred by SIFL to SEFL under BTA and the afore-mentioned transactions are appearing in the books of SEFL as on date. The transaction audit has been completed and the necessary impact of the same has been incorporated by SEFL in their financial statements. However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any on the Consolidated Financial Statements.

- k) We draw reference to Note No. 65 to the Consolidated Financial Statements which explains the reasons owing to which SIFL and SEFL are not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of Corporate Social Responsibility ("CSR"). As stated, in the said note, SIFL and SEFL have written to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of SIFL and SEFL under provisions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same, if any, or any other consequences arising out of such non-compliance on the Consolidated Financial Statements.
- l) We draw reference to Note No. 66 to the Consolidated Financial Statements which states that SEFL has not been able to maintain the security cover as stated in the information memorandum / debenture trust deeds etc. which is sufficient to discharge the principal and interest amount at all times for the secured non-convertible debentures issued by SEFL. Further, as stated in the said Note and paragraph 2(c) above, the valuation reports of the same have been submitted to the Consolidated CoC members and the same have not been made available to us on grounds of confidentiality. Accordingly, any impact on the percentage of security cover has not been considered. Hence, we are unable to comment on the impact of the same on the Consolidated Financial Statements.
- m) We draw reference to Note No. 67 to the Consolidated Financial Statements which explains that in relation to certain borrowings (including secured borrowings and NCDs) acquired by SEFL from SIFL pursuant to BTA as stated in Note No. 57 to the Consolidated Financial Statements, charges created on such borrowings are yet to be transferred in the name of SEFL and are still appearing in the name of the Holding Company for the reasons stated in the said Note. We are unable to comment on the impact of the same or any other consequences arising out of it, if any, on the Consolidated Financial Statements.
- n) We draw reference to Note No. 68 to the Consolidated Financial Statements which explains the reasons owing to which SIFL and SEFL were not able to comply with the requirements of Section 125 of the Act in relation to transfer of certain amounts lying unpaid for 7 years to Investor Education and Protection Fund ('IEPF'). As stated, in the said note, SIFL and SEFL have written to IEPF authorities and requested guidance in the matter. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance on the Consolidated Financial Statements.
- o) We draw reference to Note No. 69 to the Consolidated Financial Statements which explains the reasons owing to which the Holding Company is not able to comply with the requirements of Section 124 of the Act in relation to transfer of shares, due for transfer to the IEPF. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance on the Consolidated Financial Statements.
- p) We draw reference to Note No. 70 to the Consolidated Financial Statements which explains that, during the year ended 31 March, 2022, based on the directions of RBI, SEFL has made provisions amounting

to ₹ 9,807 Lacs and ₹ 4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. However, SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'. Hence, in absence of such assessment, we are unable to comment on any non-compliance with Ind AS and the corresponding impact of the same, if any, on the Consolidated Financial Statements.

- q) SIFL and SEFL have not filed the Annual GST Reconciliation Statement - GSTR 9C for the financial years 2020-21 and 2021-22. The GST liabilities arising thereon including the amount of interest and penalty on the above is not ascertainable and accordingly, we are unable to comment on the impact of the same on the Consolidated Financial Statements.
- r) Auditors of SEFL had carried out independent balance confirmation process with respect to various parties / lenders, responses for which are pending to be received in majority of the case as on the date of signing their Auditors' Report. Further, the project progress report and necessary documents for review from various parties are yet to be received. Hence, we are unable to comment on such balances and status and impact of the same on the Consolidated Financial Statements, if any.
- s) Property, Plant and Equipment of SEFL includes assets having gross book value of ₹ 5,018 Lacs and written down value of ₹ 1,018 Lacs as on 31 March, 2023 are either not traceable or are not in possession of SEFL. No provision for the same has been made in accounts. As informed by SEFL, the management has initiated legal proceedings for recovery of the same. Since legal proceedings for recovery are pending, we are unable to comment on the impact of the same, if any, on the Consolidated Financial Statements.
- t) We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee, Joint Lenders and transaction audit reports are confidential in nature and have not been shared with us. Accordingly, we are unable to comment on the possible financial effects on the Consolidated Financial Statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.
- u) In view of the possible effects of the matters described in paragraph 2(a) to 2(t) above, we are also unable to comment on SEFL's compliance of the covenants in respect of all borrowings (including creation of charges) and consequential implications including disclosures etc., if any.
- v) In view of the possible effects of the matters described in paragraph 2(a) to 2(u) above, we are also unable to comment on the Holding Company's and SEFL's compliance on various regulatory ratios / limits and consequential implications including disclosures, if any.

#### Material Uncertainty Related to Going Concern

We draw attention to Note No. 63 to the Consolidated Financial Statements which states that SIFL and SEFL have been admitted to CIRP and the Companies have reported net loss during the year ended 31 March, 2023 and earlier year / periods as well. As a result, SIFL's and SEFL's net worth have eroded and they have not been able to comply with various regulatory ratios / limits. All these have impacted their ability to continue its operations in normal course in future. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Companies' ability to continue as 'going concern' in foreseeable future. However, for the reasons stated in the said note, SIFL and SEFL along with the other subsidiaries and

Trust have considered it appropriate to prepare their Consolidated Financial Statements on a going concern basis.

### Emphasis of Matters

Wedraw attention to the following matters in the notes to the Consolidated Financial Statements:

- a) As stated in Note No. 55(i) to the Consolidated Financial Statements, SEFL on the basis of abundant prudence, has decided to make provision to the extent of interest income recognized during the year on Net Stage – III Accounts.
- b) As stated in Note No. 55(ii) to the Consolidated Financial Statements, in case of Investments / Loans which were determined as fraudulent under Section 66 of the Code, SEFL has not undertaken the fair valuation as of 31 March, 2023 of such Investments / Loans as the net impact on the Statement of Profit and Loss would have been Nil since SEFL has already made 100% provision on such Investments / Loans.
- c) Note No. 56 (a) to the Consolidated Financial Statements, which explains that pursuant to admission under CIRP, SEFL has not provided for interest amount of ₹ 1,99,970 Lacs for the year ended 31 March, 2022 in respect of SEFL's obligation for interest and principal amount on all the borrowings since insolvency commencement date i.e., 8 October, 2021.

Note no. 56 (b) to the Consolidated Financial Statements, which explains that SIFL had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, SIFL has not accrued interest of ₹ 3,300 Lacs for the year ended 31 March, 2022.

- d) Note No. 58 to the Consolidated Financial Statements, which explains that in view of the impracticability for preparing the resolution plan on individual basis in case of the Holding Company and SEFL, the Administrator, after adopting proper procedure, has filed applications before the Hon'ble NCLT, Kolkata Bench seeking, amongst other things, consolidation of SIFL and SEFL. The application in this matter is admitted and the final order received on 14 February, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of the Holding Company and SEFL. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on 18 January, 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 15 February, 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 18 February, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.
- e) Note No. 61 to the Consolidated Financial Statements, which explains that the audited consolidated financial statements of the Group for the year ended 31 March, 2022 included unaudited financial statements of 1 subsidiary, viz. Trinity and two subsidiaries of Trinity (step down subsidiaries of SIFL), viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited since the audit report and audited accounts were not received within the annual account approval date of SIFL. The management of these subsidiaries had not provided audited financial statements of these

aforesaid companies despite many reminders and accordingly, the financial statements of these subsidiaries were considered for consolidation based on the approved and certified financial statements provided by the management of the respective companies. Subsequently, on receipt of the Audited Financial Statements dated 20 May, 2022 on 04 June, 2022, material mismatch was observed between the Audited Financial Statements and the Financial Statements that were considered for consolidation. At the time of preparation of financial results for the quarter ended 30 June, 2022, these discrepancies / mismatches were rectified retrospectively in accordance with the guidelines of Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

- f) Note No. 6 (vii) to the Consolidated Financial Statements, which explains that the Holding Company during the year ended 31 March, 2022 on behalf of SEFL, had invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL'), which were pledged as security against the loan availed by one of the borrowers of SEFL. As on 31 March, 2023, these shares appear in the demat statement of SIFL, whereas the borrower was transferred to SEFL pursuant to BTA. Further, the entire shares have been sold on 11 April, 2023 and the same have been transferred to the demat account of purchaser on 26 April, 2023. SEFL never had any intention to exercise any control / significant influence over STPL in terms of Ind AS 110 / Ind AS 28. SEFL has taken an expert opinion, which confirms that since SEFL is not exercising any significant influence / control over STPL, hence, STPL is not a subsidiary / associate in terms of Ind AS 110 / Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.
- g) Note No. 30 to the Consolidated Financial Statements, which explains that SEBI vide its Adjudication Order No. Order/DS/DK/2022-23/20903-20964 dated 31 October, 2022 ('Order'), in the matter of Religare Enterprises Limited had imposed a penalty of ₹ 35 Lacs on SIFL and ₹ 5 Lacs on SEFL payable within 45 days from the date of receipt of the Order. However, vide its Corrigendum to Order dated 30 November, 2022, SEBI has clarified that the said period of 45 days shall not be applicable in respect of SIFL and SEFL due to the CIRP proceedings pending against it. The said penalty is payable subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Dewan Housing Finance Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020). Hence, no provision has been made in the respective books of account of the Companies.
- h) Note No. 36 to the Consolidated Financial Statements, which states that based on the information available in the public domain, forensic audit was conducted on SIFL and SEFL and few lenders have declared the bank accounts of SIFL and SEFL as fraud. However, in case of one of the lenders, on the basis of petition filed by the ex-promoter before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated 22 April, 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 22 April, 2022 shall continue till the next date of hearing i.e., 15 May, 2023. However, further update is not available on public domain as on date.
- i) Note No. 76 to the Consolidated Financial Statements, which states that the Enforcement Directorate (ED) on 31 January, 2023 conducted simultaneous investigations on office premises of the Holding Company and SEFL. The outcome of the same is pending.
- j) Note No. 77 to the Consolidated Financial Statements, which states that the Ministry of Corporate Affairs (MCA) vide its letter dated 18



April, 2023 has initiated investigation into the affairs of SIFL and SEFL under Section 206(5) of the Act and the same is in progress.

### Responsibilities of the Administrator and the Existing Officials of the Group and Trust for the Consolidated Financial Statements

The RBI vide press release dated 4 October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ("RBI Act") superseded the Board of Directors of the Holding Company and SEFL and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under Section 45-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 CIRP against SIFL and SEFL under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Code read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble NCLT. Hon'ble NCLT vide its order dated 8 October, 2021 admitted the application filed by RBI for initiation of CIRP against SIFL and SEFL. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of SIFL and SEFL shall vest in the Administrator. Further, RBI has also retained the three - member Committee of Advisors, as aforesaid, for advising the Administrator in the operations of SIFL and SEFL during the CIRP.

We refer to Note No. 1(a) to the Consolidated Financial Statements which states that the Consolidated Financial Statements have been taken on record by the Administrator while discharging the powers of the Board of Directors of SIFL and SEFL which were conferred upon him by the RBI and subsequently by the Hon'ble NCLT vide its order dated 8 October, 2021. Further, Note No. 1(a) also explains that since the Administrator has taken charge of the affairs of SIFL and SEFL on 4 October, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to 4 October, 2021, he has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL, who were also part of the respective Companies prior to the appointment of the Administrator.

The Consolidated Financial Statements have been prepared on the basis of the annual financial statements. The Administrator and the existing officials of SIFL and SEFL ('the Management') and the respective Board of Directors of the other Companies included in the Group and the trustees of the Trust are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group and other financial information of the Group including its Trust in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed 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 Group and Trust 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 Consolidated

Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Management of SIFL and SEFL, the respective Board of Directors of the other Companies included in the Group and the trustees of the Trust are responsible for assessing the Group's and Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administrator either intends to liquidate SIFL and SEFL or the respective Board of Directors of the other Companies included in the Group and the trustees of the Trust either intend to liquidate the other Companies and Trust or to cease operations, or have no realistic alternative but to do so.

The Management, the respective Board of Directors of the other Companies included in the Group and the trustees of the Trust are also responsible for overseeing the Group's and Trust's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's Consolidated Financial Statements including its Trust 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 appropriate audit evidence to provide a basis for an audit opinion on the Consolidated Financial Statements.

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

### Other Matters

- i. The Consolidated Financial Statements includes the audited financial statements of 08 subsidiaries whose financial statements reflect Group's share of total assets of ₹ 15,28,347 Lacs as at 31 March, 2023, Group's share of total revenues of ₹ 1,53,133 Lacs, Group's share of total net loss of ₹ 11,23,025 Lacs and Group's share of total comprehensive income of ₹ (11,23,929) Lacs for the year ended 31 March, 2023 respectively and net cash inflows amounting to ₹ 1,24,720 Lacs for the year ended 31 March, 2023, as considered in the Consolidated Financial Statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors.
- ii. The Consolidated Financial Statements includes the unaudited financial statements of 1 Trust whose financial statements reflect Group's share of total assets of ₹ 1 Lac as at 31 March, 2023, Group's share of total revenues of ₹ Nil, Group's share of total net profit after tax of ₹ Nil and Group's share of total comprehensive income of ₹ Nil for the year ended 31 March, 2023 respectively and net cash inflows amounting to Rs. Nil for the year ended 31 March, 2023. These unaudited financial statements have been furnished to us by the existing management of the Holding Company and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this Trust is based solely on such unaudited financial statements.

In our opinion and according to the information and explanations given to us by the existing management of the Holding Company, these financial statements are not material to the Group.

### Report on Other Legal and Regulatory Requirements

i. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries and Trust, as noted in the "Other matters" section above, we report, to the extent applicable, 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 of the Consolidated Financial Statements. However, to the extent as described in the "Basis for Disclaimer of Opinion" paragraph, we were unable to obtain such information and explanations;
- (b) Due to the effects / possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report and more particularly paragraph 2(e) of the same in relation to the uncertainties regarding the accounting of BTA, we are unable to comment on maintenance of proper books of account, as required by law, by the Group including its Trust so far as appears from our examination of those books and the reports of other auditors;
- (c) Read with the matters described in "Basis for Disclaimer of Opinion" section of this report, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- (d) Due to the effects / possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of our Report, we are unable to state whether the aforesaid Consolidated Financial Statements comply with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matters described under the "Basis for Disclaimer of Opinion", "Material Uncertainty Related to Gong Concern" and "Emphasis of Matters" section above, in our opinion, may have an adverse effect on the functioning of the Group and Trust;
- (f) We have been explained that RBI vide press release dated 4 October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the RBI Act superseded the Board of Directors of SIFL and SEFL and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under Section 45-1E (5) (a) of the RBI Act, has constituted a three - member Committee of Advisors for advising the Administrator. Consequently, SIFL and SEFL have filed form DIR -12 and form GNL 2 on 11 October, 2021 and 1 February, 2022 respectively in respect of vacation of office of the erstwhile directors of SIFL and SEFL. Accordingly, reporting in terms of Section 164(2) of the Act is not required.

Based on the reports of the statutory auditors of the other subsidiary companies incorporated in India, none of the directors of the subsidiaries incorporated in India, is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) The reservation or adverse remarks 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 Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which expresses a disclaimer of opinion on the Group's internal financial controls with reference to Consolidated Financial Statements of the Group for the reasons stated therein;
- (i) 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. 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 Group and Trust, we are unable to state whether the Group and Trust have disclosed the impact of pending litigations on their financial position in their Consolidated Financial Statements – Refer Note No. 30 on Contingent Liabilities to the Consolidated 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 Group 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 have been made in the Consolidated Financial Statements.
  - iii. As stated in Note no. 68 to the Consolidated Financial Statements and paragraph 2(n) of the "Basis for Disclaimer of Opinion" section of this report, SIFL and SEFL have not been able to transfer the amounts which were required to be transferred to the Investor Education and Protection Fund as on 31 March, 2023. In respect of the other subsidiaries, incorporated in India, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the respective Companies during the year ended 31 March, 2023.
  - iv. (a) The Management of the Group and Trust have represented that, to the best of their 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 Group 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 Group and Trust ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries(Refer Note No. 39 (A) to the Consolidated Financial Statements);
  - (b) The Management of the Group and Trust have represented that, to the best of their knowledge and belief, no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group and Trust 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 (Refer Note No. 39 (B) to the Consolidated Financial Statements);

- (c) 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 representations under sub-clause (i) and (ii) of Rule 11(e), as provided under points (a) and (b) above, contain any material misstatement.
- v. The Group has not declared / paid any dividend during the year. Hence, reporting compliance with Section 123 of the Act is not applicable.
- 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 Group 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 31 March, 2023.
- II. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

During the year, SIFL, SEFL and Srei Mutual Fund Asset Management Private Limited have not paid or provided any managerial remuneration to their Directors. Further, the RBI vide press release dated 4 October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the

RBI Act superseded the Board of Directors of SIFL and SEFL and appointed an Administrator under Section 45-IE (2) of the RBI Act.

According to the information and explanations given to us and based on the reports of the statutory auditors of the other subsidiary companies incorporated in India, the provisions of Section 197 read with Schedule V of the Act are not applicable to them for the year ended 31 March, 2023.

- III. 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of the subsidiaries, incorporated in India, as noted in the "Other Matters" section, we give in the "Annexure B" a statement on the matters specified in paragraph 3(xxi) of the Order.

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

**Manoj Kumar Roongta**  
Partner  
Membership No. 057761  
UDIN : 23057761BGZDZF9875

Place : Kolkata  
Date : 16 May, 2023

## Annexure - A to Independent Auditors' Report

[Referred to in paragraph I(h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Consolidated Financial Statements for the year ended 31 March, 2023]

### **Report on the Internal Financial Controls with reference to Consolidated 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 the Consolidated Financial Statements of Srei Infrastructure Finance Limited ("the Holding Company"), its subsidiary Companies and its trust, which are incorporated in India, as at 31 March, 2023 in conjunction with our audit of the Consolidated Financial Statements for the year ended on that date.

### **Responsibilities of the Administrator and the Existing Officials for Internal Financial Controls**

As stated in "Responsibilities of the Administrator and the Existing Officials of the Group for the Consolidated Financial Statements" section of our Independent Auditor's Report of even date to the members of the Group, the Administrator and the existing officials of the Group are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding 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 Group'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 Group's internal financial controls with reference to the Consolidated 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 Consolidated Financial Statements of the Group, 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 the Consolidated 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 (a) of the Consolidated financial statements of the Group, the matters described in the "Basis for Disclaimer of Opinion" section of our Independent Auditor's Report of even date on the Consolidated financial statements and based on consideration of reports of other auditors as mentioned in Other Matters paragraph below, we are unable to determine if the Holding Company and its subsidiary companies, which are Companies incorporated in India have established adequate internal financial controls with reference to financial statements and whether they were operating effectively as at 31 March, 2023. Accordingly, we do not express an opinion on the internal financial controls with reference to the 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 Consolidated Financial Statements of the Group, which comprise of the Consolidated Balance Sheet as at 31 March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated 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 Consolidated Financial Statements of the Group for the year ended 31 March, 2023 and this report affects our report dated 16 May, 2023 which expresses a disclaimer of opinion on the Consolidated Financial Statements of the Group.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 8 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For D.K. Chhajer & Co**

*Chartered Accountants*

Firm Registration No. 304138E

**Manoj Kumar Roongta**

*Partner*

Membership No. 057761

UDIN : 23057761BGZDZF9875

Place : Kolkata

Date : 16 May, 2023

## Annexure - B to Independent Auditors' Report

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Consolidated Financial Statements for the year ended 31 March, 2023]

In terms of the information and explanations sought by us and given by the Holding Company, the books of account and records examined by us in the normal course of audit and based on the reports of statutory auditors of the subsidiary companies, incorporated in India and to the best of our knowledge and belief, we state that :

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are :

Sr. No.	Name of the entities	CIN	Holding Company / Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Srei Infrastructure Finance Limited	L29219WB1985PLC055352	Holding Company	3i(c), 3i(e), 3vii(a), 3vii(b), 3ix(a), 3ix(b), 3xi(a), 3xiii, 3xvii, 3xix, 3xx(a)
2.	Srei Equipment Finance Limited	U70101WB2006PLC109898	Wholly Owned Subsidiary	3i(b), 3i(c), 3i(e), 3iii(c), 3iii(d), 3vii(a), 3vii(b), 3ix(a), 3ix(b), 3ix(e), 3ix(f), 3xi(a), 3xi(c), 3xiii, 3xvii, 3xix, 3xx(a), 3xxi
3.	Srei Capital Markets Limited	U67190WB1998PLC087155	Wholly Owned Subsidiary	3xvii(b), 3xvii
4.	Srei Mutual Fund Asset Management Private Limited	U74110WB2009PTC139801	Wholly Owned Subsidiary	3iii(c), 3iii(d), 3iii(e), 3xvii
5.	Srei Mutual Fund Trust Private Limited	U65990WB2009PTC139790	Wholly Owned Subsidiary	3xvii
6.	Bengal Srei Infrastructure Development Limited	U70109WB2004PLC100517	Subsidiary	3vii(b), 3ix, 3xvii, 3xix

**For D. K. Chhajer & Co**  
Chartered Accountants  
Firm Registration No. 304138E

**Manoj Kumar Roongta**  
Partner  
Membership No. 057761  
UDIN : 23057761BGZDZF9875

Place : Kolkata  
Date : 16 May, 2023

# Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalents	2	2,56,419	1,29,078
(b) Bank Balance other than (a) above	3	18,604	18,681
(c) Receivables			
- Trade Receivables	4	2,213	5,640
(d) Loans	5	9,49,263	20,31,067
(e) Investments	6	1,08,700	1,52,504
(f) Other Financial Assets	7	64,067	81,190
		<b>13,99,266</b>	<b>24,18,160</b>
<b>(2) Non-Financial Assets</b>			
(a) Current Tax Assets (Net)	8	6,852	19,199
(b) Deferred Tax Assets (Net)	9	552	538
(c) Property, Plant and Equipment	10	1,33,184	1,94,535
(d) Right-of-use Assets		507	713
(e) Goodwill on Consolidation		683	683
(f) Other Intangible Assets	11	542	841
(g) Other Non-Financial Assets	12	23,626	39,028
		<b>1,65,946</b>	<b>2,55,537</b>
<b>TOTAL ASSETS</b>		<b>15,65,212</b>	<b>26,73,697</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13	230	210
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,934	7,369
(b) Debt Securities	14	2,59,944	2,59,552
(c) Borrowings (Other than Debt Securities)	15	26,69,340	26,76,864
(e) Subordinated Liabilities	16	2,95,458	2,94,582
(e) Lease Liabilities		638	830
(f) Other Financial Liabilities	17	15,343	19,747
		<b>32,47,887</b>	<b>32,59,154</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	9	-	-
(b) Provisions	18	15,348	15,836
(c) Other Non-Financial Liabilities	19	3,988	4,531
		<b>19,336</b>	<b>20,367</b>
<b>(3) Equity</b>			
(a) Equity Share Capital	20	50,309	50,309
(b) Other Equity	21	(17,52,283)	(6,56,101)
		<b>(17,01,974)</b>	<b>(6,05,792)</b>
Non-controlling Interests		(37)	(32)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>15,65,212</b>	<b>26,73,697</b>

Significant Accounting Policies and Notes to Consolidated Financial Statements.  
The Notes referred to above form an integral part of the Consolidated Balance Sheet.  
This is the Consolidated Balance Sheet referred to in our report of even date.

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**For D. K. Chhajer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 304138E

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

Place : Kolkata  
Date : 16th May, 2023

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

**Rajneesh Sharma**  
Administrator Appointed Under IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Ltd 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 - sreiaadministrator@srei.com

# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>Revenue from Operations</b>			
(i) Interest Income	22	1,28,418	2,54,594
(ii) Dividend Income*		0	0
(iii) Rental Income		20,355	44,421
(iv) Fees and Commission Income		2,969	7,059
(v) Net gain on derecognition of financial instruments under fair value through profit or loss		8	7
(vi) Others		2,670	3,396
<b>(I) Total Revenue from Operations</b>		<b>1,54,420</b>	<b>3,09,477</b>
(II) Other Income	24	1,869	2,720
<b>(III) Total Income (I+II)</b>		<b>1,56,289</b>	<b>3,12,197</b>
<b>Expenses</b>			
(i) Finance Costs	25	7,624	2,16,918
(ii) Fees and Commission Expense		1,781	2,512
(iii) Net loss on fair value changes	23	9,624	27,492
(iv) Net loss on derecognition of financial instruments under amortised cost		5,567	12,328
(v) Impairment on Financial Instruments (Net)	26	1,42,216	2,01,511
(vi) Employee Benefits Expenses	27	8,745	12,161
(vii) Depreciation, Amortisation and Impairment Expense		43,582	56,990
(viii) Administrative and Other Expenses	28	19,158	25,345
(ix) Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt		13,257	4,320
<b>(IV) Total Expenses (IV)</b>		<b>2,51,554</b>	<b>5,59,577</b>
<b>(V) Profit before Exceptional Items &amp; Tax (III - IV)</b>		<b>(95,265)</b>	<b>(2,47,380)</b>
(VI) Exceptional Items (Ref Note 55(i))		(10,15,593)	-
<b>(VII) Profit Before Tax (V+VI)</b>		<b>(11,10,858)</b>	<b>(2,47,380)</b>
<b>(VIII) Tax Expense :</b>			
(a) Current Tax		49	252
(b) Current Tax in respect of earlier year		6	6,881
(c) Deferred Tax		(14)	(38)
<b>(IX) Profit After Tax but before Loss of Associates (VII-VIII)</b>		<b>(11,10,899)</b>	<b>(2,54,475)</b>
Share of Profit / (Loss) of Associates		-	-
<b>(X) Profit After Tax (IX+X)</b>		<b>(11,10,899)</b>	<b>(2,54,475)</b>
<b>(XI) Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement Gains / (Losses) on Defined Benefit Plan		(163)	(29)
(b) Gains / (Losses) on Equity Instruments through Other Comprehensive Income		15,605	(33,485)
(c) Tax related to above		(1)	165
(ii) 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 on fair valuation of loans		(719)	(210)
(c) Tax related to above		-	-
<b>(XII) Total Other Comprehensive Income (XI)</b>		<b>14,722</b>	<b>(33,545)</b>
<b>Total Comprehensive Income (X+XII)</b>		<b>(10,96,177)</b>	<b>(2,88,020)</b>
<b>(XIII) Profit attributable to :</b>			
- Owners of the parent		(11,10,894)	(2,54,531)
- Non-controlling interest		(5)	56
<b>(XIV) Other Comprehensive Income attributable to :</b>			
- Owners of the parent		14,722	(33,372)
- Non-controlling interest		-	(173)
<b>(XV) Total Comprehensive Income attributable to :</b>			
- Owners of the parent		(10,96,172)	(2,87,903)
- Non-controlling interest		(5)	(117)
<b>(XVI) Earnings per Equity share (Basic and Diluted)</b> (Par Value ₹ 10/- per Equity Share)	29	<b>(220.82)</b>	<b>(50.58)</b>

\*Amount mentioned as '0' is below rounding off threshold adopted by the Company.

Significant Accounting Policies and Notes to Consolidated Financial Statements.

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

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

**For D. K. Chhajer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 304138E

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

Place : Kolkata  
Date : 16th May, 2023

**For and on behalf of Srei Infrastructure Finance Ltd.**

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

**Rajneesh Sharma**  
Administrator Appointed Under IBC

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

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

Email ID for Correspondence - sreadministrator@srei.com

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

	As at March 31, 2023	As at March 31, 2022
(₹ in Lacs)		
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>(11,10,858)</b>	<b>(2,47,380)</b>
Adjustments for :		
Net unrealised fair value (gain) / loss	9,624	22,528
Net (gain) / loss on derecognition of Property, Plant and Equipment	7,555	7,413
Interest on Income Tax Refund	(1,493)	(386)
Liabilities No Longer Required written back	(362)	(3,094)
Impairment on Financial Instruments (Net)	1,42,216	2,01,511
Impairment on Financial Instruments (Net) on Exceptional items	9,37,100	-
Depreciation, Amortisation and Impairment Expense	43,582	56,990
Net (gain) / loss on derecognition of Financial Instruments under amortised cost category	5,567	12,328
Impairment / Write-off on Assets acquired in satisfaction of debt	13,257	4,320
Net unrealised fair value (gain) / loss on exceptional items	78,493	-
<b>Operating profit before working capital changes</b>	<b>1,24,681</b>	<b>54,230</b>
<b>Changes in Working Capital</b>		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	24,936	12,749
(Increase) / Decrease in Loans Assets	(83,180)	(86,912)
Increase / (Decrease) in Trade Payables and Others Liabilities	(5,843)	5,037
(Increase) / Decrease in Other Bank Balances	77	82,137
<b>Cash Generated / (used) in operations</b>	<b>60,671</b>	<b>67,241</b>
Direct Taxes (Paid) / Refund (Net)	13,784	(7,259)
<b>Net Cash (used in) / generated from Operating Activities</b>	<b>74,455</b>	<b>59,982</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment / Intangible Assets	-	(7)
Proceeds from Sale of Property, Plant and Equipment / Intangible assets	10,945	9,311
(Increase) / Decrease in Investments (Other than Subsidiaries)	48,197	(44,451)
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>59,142</b>	<b>(35,147)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from issuance of Debt securities (including subordinated debt securities)	1,268	-
(Repayment of) / Proceeds from Working Capital facilities (Net)	3,053	38,346
Repayment of Other Borrowings	(10,577)	22,392
Dividend Paid (including Corporate Dividend Tax)	-	(6)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(6,256)</b>	<b>60,732</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalent</b>	<b>1,27,341</b>	<b>85,567</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>1,29,078</b>	<b>43,511</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,56,419</b>	<b>1,29,078</b>

	As at March 31, 2023	As at March 31, 2022
(₹ in Lacs)		
<b>Cash and Cash Equivalents at the end of the year comprises of :</b>		
<b>Components of Cash and Cash Equivalents :</b>		
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	8	21
(b) Balances with Banks - in Current Account	28,574	68,238
(c) Fixed Deposits with original maturity period less than three months	2,27,837	60,819
	<b>2,56,419</b>	<b>1,29,078</b>

## Explanations:

- The above Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
- Previous year figures have been rearranged / regrouped wherever necessary to conform to the current year's classification.

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

### For D. K. Chhajer & Co.

Chartered Accountants  
ICAI Firm Registration No. 304138E

### Manoj K Roongta

Partner  
Membership No. 057761

Place : Kolkata  
Date : 16th May, 2023

### For and on behalf of Srei Infrastructure Finance Ltd.

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

### Rajneesh Sharma

Administrator Appointed Under IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Ltd 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 - sreiaadministrator@srei.com



# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

## A. Equity Share Capital

	Balance as at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April, 2022	Changes in equity share capital during the current year	Balance as at 31st March, 2023
	50,309	-	50,309	-	50,309
	Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April, 2021	Changes in equity share capital during the current year	Balance as at 31st March, 2022
	50,309	-	50,309	-	50,309

## B. Other Equity

Particulars	Reserves and Surplus					Items of Other Comprehensive Income				Total	Non-Controlling Interests			
	Special Reserve (pursuant to Section 451C of the Reserve Bank of India Act, 1961)	Income Tax Special reserve (pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Bond / Debenture Redemption Reserve	General Reserve	Retained Earnings	Impairment Reserve	Equity Instruments through Other Comprehensive Income			Foreign Currency Translation Reserve	Debt Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges
<b>Balance as at the 1st April, 2021</b>	54,904	25,834	1,04,744	62,441	10,222	1,36,801	4,47,464	6,808	-	-	1,162	(13)	(3,68,209)	85
Profit for the year	-	-	-	-	-	-	(2,54,531)	-	-	-	-	-	(2,54,531)	56
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	(29)	(33,147)	11	-	(210)	14	(33,361)	(173)
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from OCI to retained earnings on cumulative disposal	-	-	-	-	-	-	1,061	(1,061)	-	-	-	-	-	-
Transfer to / from retained earnings	315	-	-	-	-	-	(1,23,314)	1,22,999	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	55,219	25,834	1,04,744	62,441	10,222	1,36,801	5,70,463	(27,400)	11	952	952	1	(6,56,101)	(32)
Balance as at 1st April, 2022	55,219	25,834	1,04,744	62,441	10,222	1,36,801	5,70,463	(27,400)	11	952	952	1	(6,56,101)	(32)
Profit for the year	-	-	-	-	-	-	(11,10,894)	-	-	-	-	-	(11,10,894)	(5)
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	(163)	15,605	(11)	(719)	-	-	14,712	-
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from OCI to retained earnings on cumulative disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to / from retained earnings	-	-	-	-	-	-	(45,532)	45,532	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	55,219	25,834	1,04,744	62,441	10,222	1,36,801	6,15,995	(11,795)	-	233	233	1	(17,52,283)	(37)

### Refer Note No. 21 for nature and purpose of reserves.

\* Includes gain for ₹ 163 Lacs (Previous year : ₹ 29 Lacs) on account of remeasurement of defined benefit plans.

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

### For D. K. Chhajjar & Co.

Chartered Accountants  
ICAI Firm Registration No. 304138E

### Manoj K Roongta

Partner

Membership No. 057761

Place : Kolkata

Date : 16th May, 2023

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Sri Infrastructure Finance Ltd 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 - sreiaadministrator@srei.com

### For and on behalf of Sri Infrastructure Finance Ltd.

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

### Rajneesh Sharma

Administrator Appointed Under IBC

# Srei Infrastructure Finance Limited

## Significant Accounting Policies and Notes to Consolidated Financial Statements

### 1 (a) GENERAL INFORMATION

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

The Reserve Bank of India ('RBI') vide press release dated 04th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of Srei Infrastructure Finance Ltd, ('the Company' or 'SIFL') and its material wholly owned subsidiary, Srei Equipment Finance Ltd. ('SEFL') and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, the RBI in exercise of powers conferred under Section 45-IE (5) (a) of the RBI Act, constituted a three - member Advisory Committee to assist the Administrator in discharge of his duties.

Thereafter, the RBI filed applications for initiation of Corporate Insolvency Resolution Process ('CIRP') against SIFL & SEFL under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated 08th October, 2021 admitted the application made by the RBI for initiation of CIRP against SIFL & SEFL. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of SIFL & SEFL shall vest in the Administrator. Further, Hon'ble NCLT also retained the three - member Advisory Committee, as aforesaid, for advising the Administrator in the operations of the Company & SEFL during the CIRP. There have been changes in the composition of the Advisory Committee on 22nd June, 2022 and 31st January, 2023. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on 18th January, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated Committee of Creditors (CoC) took on record the results of the e-voting in CoC meeting held on 15th February, 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 18th February, 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.

### 1 (b) SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

The Consolidated financial statements relates to M/s. Srei Infrastructure Finance Limited (the "Company") and its subsidiaries (together hereinafter referred to as "Group"), associate and Trust. The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards.

Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of

contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 1.26 - Significant accounting judgements, estimates and assumptions. The management believes that the estimates used in preparation of consolidated 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 / materialized.

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

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These consolidated financial statements of SIFL, its subsidiaries and trust together referred to as "the Group" for the year ended 31st March, 2023 have been taken on record by the Administrator on 16th May, 2023 while discharging the powers of the Board of Directors of the Company and SEFL which were conferred upon him by RBI press release dated 04th October, 2021 and subsequently, powers conferred upon him in accordance with Hon'ble NCLT order dated 08th October, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company and SEFL as going concern. Since the Administrator has taken charge of the affairs of the Company and SEFL on 04th October, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company or SEFL prior to his appointment and has relied on the position of the financial statements of the Company and SEFL as they existed on 04th October, 2021. Regarding information pertaining to period prior to 04th October, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by the existing management team ('the existing officials of SIFL and SEFL'), who were / are also part of SIFL and SEFL prior to the appointment of the Administrator. As part of the CIRP, the Administrator has initiated audits / reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code.

#### 1.2. Basis of Consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits in associate and interest in trust that are consolidated in a manner as explained below.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries and associate acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

- (i) The financial statements of the subsidiary companies, associate company and Trust used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2023 and are prepared based on the accounting policies consistent with those used by the Company.
- (ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110 - 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

- (iii) The consolidated financial statements have been prepared on the following basis :
- The financial statements of the Group and trust have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra - group balances and intra - group transactions have been fully eliminated except where losses are realized.
  - The excess of cost to the Company of its investments in the subsidiary companies and trust over its share of equity / corpus of the subsidiary company / trust, at the dates on which the investments is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity / corpus as on the date of investment is in excess of cost of investment of the Company, it is recognised under 'Other Equity', in the consolidated financial statements.
  - The difference between the proceeds from disposal of investment in subsidiary / Trust and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the statement of Profit and Loss as profit or loss on disposal of subsidiary.
  - Minority interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above.
  - Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.
- (iv) The subsidiary companies considered in the consolidated financial statements are as below :

Subsidiaries & Step - down Subsidiaries	Country of Origin	Share of ownership interest as at 31st March, 2023 (%)	Share of ownership interest as at 31st March, 2022 (%)
Srei Capital Markets Limited	India	100	100
Trinity Alternative Investment Managers Ltd	India	51	51
Controlla Electrotech Private Limited	India	100	100
Srei Mutual Fund Asset Management Private Limited	India	100	100
Srei Mutual Fund Trust Private Limited	India	100	100
Srei Insurance Broking Private Limited	India	100	100
Bengal Srei Infrastructure Development Limited	India	51	51
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Srei Asset Leasing Limited	India	100	100
Srei Equipment Finance Limited	India	100	100
<b>Trusts :</b>			
Srei Mutual Fund Trust	India	100*	100*

\* holding % of Corpus

The accounting policies for some specific items 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. 1.3 to 1.26.

### 1.3. Presentation of Financial Statements

The Consolidated financial statements of the Group, associate and trust are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances :

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and / or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

### 1.4. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133

of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the Reserve Bank of India ("the RBI").

The accounting policies are applied consistently to all the periods presented in the financial statements, unless otherwise stated.

### 1.5. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash - generating units or groups of cash - generating units that are expected to benefit from the synergies of the combination. Cash - generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash - generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

## 1.6. Revenue recognition

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

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

- (a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit - impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.20.3. Interest Income for borrowers whose transactions are determined as fraudulent in nature is not recognized from the start of the quarter in which the same is determined as fraudulent.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

- (b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.20.3.
- (c) Income from Credit Impaired Financial Assets is recognised on net basis i.e. after considering Impairment Loss Allowance.
- (d) Interests on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.
- (e) Income from dividend is recognised when the Group'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.
- (f) Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.
- (g) 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 Group's expected inflationary cost increases.
- (h) Referral income is recognised when it becomes due under the terms of the relevant mutually agreed arrangement.
- (i) Income from joint controlled operation is recognised to the extent of the Group'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.
- (j) Interest income on fixed deposits / margin money / pass through certificates is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (k) In case of assignment transactions, as the Group retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is recorded as 'Interest retained on pools assigned' with corresponding gain recognized in the statement of Profit and Loss.

### (II) Revenue from Contract with Customers :

Revenue is recognised when transfer of control of promised goods or services to customers in an amount that reflects that the consideration the

Group expects to receive in exchange for those goods or services. Revenue is recognised when related services are rendered and performance obligation is satisfied which is based on a five - step model as set out below, unless included in the effective interest calculation :

Step 1 : Identify contract(s) with a customer : A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 : Identify performance obligations in the contract : A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 : Determine the transaction price : The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 : Allocate the transaction price to the performance obligations in the contract : For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 : Recognise revenue when (or as) the performance obligation is satisfied.

Satisfaction of performance obligation in some cases requires acknowledgement / acceptance of service by the Customer.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

## 1.7. 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 Group as lessor

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

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

For the revenue recognition policy on Lease Contracts, refer Note No. 1.6.

### The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group 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 on borrowing costs (see 1.9 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Group's operating lease asset classes primarily consist of leases for buildings or part thereof. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low - value assets and short - term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset less any lease incentive received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight - line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet.

### 1.8. Foreign currency translation

#### (i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupee (INR) in Lacs, the functional currency of the Group. Functional currency is the currency of the primary economic environment in which the Group operates.

#### (ii) Transactions and balances

##### Initial recognition :

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the 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), restatement is not required as on reporting date.

#### Foreign Exchange Gains and Losses :

##### Financial Assets :

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

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

##### Financial Liabilities :

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

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

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

### 1.9. 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.

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

### 1.10. Employee Benefits

#### Retirement benefit costs and other employee benefit

##### (A) Defined Contribution Plans :

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognised as expenditure based on the amount of contribution required to be made and when an employee renders related services.

**(B) Defined Benefit Plans :**

A defined benefit plan is a post - employment benefit plan other than a defined contribution plan. The Group 's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss when the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The retirement benefit obligation recognized in Balance Sheet represents the actual deficit or surplus in Group'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.

**(C) Short - term employee benefits :**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including non-monetary benefits, annual leave and sick leave in the period in which related service is rendered.

Liabilities recognised in respect of short - term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**(D) Other long - term employee benefits (unfunded) :**

The cost of providing other long term employee benefits is calculated using the Projected Unit Credit Method, and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement actuarial gains and losses and past service cost are recognised immediately in the statement of profit and loss for the period in which they occur. Other long term employee benefit obligation recognised in the balance sheet represents the present value of related obligation.

**1.11. Taxation**

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

**Current tax**

Current Tax is determined at the amount of tax payable in respect of taxable

profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated 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 Group's current tax is calculated using tax rates that have been enacted or substantially enacted at the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

The Group'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.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

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 consolidated 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. Property, Plant and Equipment**

Property, plant and equipment shown in the consolidated balance sheet consists of assets used in provision of services or for administrative purposes, and include assets leased by the Group as lessor under operating leases.

**Initial and subsequent recognition**

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 Group 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 consolidated statement of Profit and Loss during the reporting period in which they are incurred.

#### De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or

retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of Profit and Loss.

#### Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight - line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Average useful life of the assets determined is as under :

#### Assets for Own Use :

Assets description as per Note No.10	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Buildings	60 years	60 years
Furniture and Fixtures	10 years	10 years
Computers & Office Equipment	3, 5, 6 years	3, 5, 6 years
Motor Vehicles	8 years	7, 8 years
Plant and Machinery	15, 22 years	8,15, 22 years

#### Assets for Operating lease :

Assets description as per Note No. 10	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Computers	3, 6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15, 30 years	8,15 years
Windmills	22 years	20 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 shorter of lease period and their useful life on the same basis as owned assets. Freehold Land is not depreciated.

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

#### 1.13. 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 2 - 6 years, which reflects the managements estimate.

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 consolidated statement of Profit and Loss when the asset is de-recognised.

#### 1.14. Investment Property

Properties, held to earn rentals and / or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight - line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

#### 1.15. Impairment of Non-Financial Assets

##### Tangible and intangible assets

At the end of each reporting period, the Group 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 Group 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 on a shorter period 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 consolidated 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 consolidated statement of Profit and Loss.

### 1.16. Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 Group 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 Group has a present obligation based on information available up to the date on which the Group's consolidated 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 Group 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 recognized because it cannot be measured reliably. Group does not recognize contingent liability but discloses its existence in the consolidated financial statements.

#### Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in the consolidated financial

statements, but are disclosed where an inflow of economic benefits is probable.

### 1.17. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, 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 changes in value.

### 1.18. 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 Group and makes strategic decisions.

Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of services offered.

### 1.19. 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.

### 1.20. Financial Instruments

#### Classification of financial instruments

The Group 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 fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

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

#### Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group'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 realized in a way that is different from the Group's original expectations, the Group 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 is to assess 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, it is considered 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 fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the consolidated statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

### **1.20.1 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.

### **1.20.2 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 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 consolidated statement of Profit and Loss.

### **1.20.3 Subsequent Measurement :**

#### **(A) Financial Assets**

#### **Financial Assets carried at Amortised Cost (AC) :**

These financial assets comprise bank balances, Loans, Trade receivables, other receivables, investments and other financial assets.

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.

#### **Effective Interest Rate (EIR) Method :**

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

The EIR for financial assets or financial liability is computed

- a. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- b. Including fees and transaction costs that are integral part of EIR.

#### **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 neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' 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 and accumulated in the reserves. The cumulative gain or loss is not reclassified to the consolidated statement of Profit and Loss on disposal of the investments. Dividends on such investments are recognised in the consolidated 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 consolidated 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 consolidated statement of Profit and Loss.

#### **Financial Assets at Fair Value through Profit or Loss (FVTPL) :**

A financial asset which is not classified as AC 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 Group has not designated any debt instrument as at FVTPL.

Any differences between the fair values of financial assets classified as FVTPL and held by the Group on the balance sheet date are recognized in the consolidated statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated 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 Group 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 Group measures the loss allowance for that financial asset 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 Group 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 Group 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 other comprehensive income with a corresponding effect to the Consolidated statement of Profit and Loss but is not reduced from the carrying amount of the financial asset in the Consolidated Balance Sheet; so the financial asset continues to be presented in the balance sheet at its fair value.

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 Group 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 Assets Classification norms of RBI compared on individual bucket basis, wherever applicable.

#### **Derecognition of Financial Assets :**

The Group 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 fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the consolidated statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be 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 Group 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 Group 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 Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in the consolidated 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 amortized 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 Group after deducting all of its liabilities. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the consolidated statement of

Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### **Financial Liabilities**

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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 Instruments".

##### **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 consolidated 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 Group 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 Group 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 guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

##### **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 consolidated statement of Profit and Loss.

##### **1.20.4 Off-setting of financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Consolidated 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. 1.20.5 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.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 :** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group 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 consolidated balance sheet date.

**Level 2 :** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly 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 Group will classify the instruments as Level 3.

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

#### 1.20.6 Overview of the Expected Credit Loss (ECL) principles

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. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

The Group uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of the Group was not available and hence ECL for non-funded credit exposures is being computed by calculating the

difference between the EAD and Net Present Value of the future cash flows and/or expected realisable value of security / collateral. Additionally, the Group carries out reviews for specifically identified exposures as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

#### Unsegmented portfolio for ECL

In case of Loans where financing was restricted to a large extent to the infrastructure sectors, considering the limitations of count over the past years, 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 Group 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 realization of any collateral. It is usually expressed as a percentage of the EAD.

#### The key tenets of Group's methodology are as under :

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

#### Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group 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.

The Group 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 Group 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 Group 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 Group 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 at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in other comprehensive income with a corresponding effect to the statement of Profit and Loss but is not reduced from the carrying amount of the financial asset in the balance sheet; so the financial asset continues to be presented in the balance sheet at its fair value.

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 Group 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, wherever applicable.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109.

### 1.21. Derivative financial instruments

The Group 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 note to the financial statements.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the consolidated 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 consolidated statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

#### 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.

### 1.22. Hedge Accounting

The Group complies with the principles of hedge accounting where derivative contracts are designated as hedging instruments. At the inception of the hedge relationship, the documentation is done for the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge. Furthermore, on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

#### Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the consolidated statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the

change in fair value of the hedged item attributable to the hedged risk are recognised in consolidated statement of Profit and Loss in the line item relating to the 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. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### 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 other comprehensive income 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 consolidated statement of Profit and Loss.

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 recognized 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 recognized in OCI and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized 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 recognized immediately in the Statement of Profit and Loss.

### 1.23. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included 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 asset and settle the liability simultaneously.

### 1.24. Earnings Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 "Earnings per share". Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects 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.

### 1.25. Dividend

Dividends paid (including dividend distribution tax thereon) are recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognized directly in equity.

### 1.26. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities

and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes :

#### 1.26.1 Impairment charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.19.6 Overview of ECL principles.

#### 1.26.2 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income 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 Group'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.

#### 1.26.3 Provisions other than loan impairment

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.

#### 1.26.4 Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the consolidated 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 consolidated financial instruments.

#### 1.26.5 Hedge Designation

The appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness at the inception / origination of the transaction.

#### 1.26.6 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

#### 1.26.7 EIR method

The Group's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life - cycle of the instruments, as well expected changes to India's base rate and other fee income / expense that are integral parts of the instrument.

#### 1.26.8 Identification of Related Parties

Related Parties for the purpose of Companies Act, 2013 and relevant Ind AS, is identified by the Group, for necessary compliance / reporting / disclosures etc, as per the Board approved Related Party Transactions (RPT) Policy.

#### 1.26.9 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

### 1.27 Recent accounting 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 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01st April, 2023, as below :

#### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01st April, 2023. The Company does not expect the amendment to have any significant impact in its consolidated financial statements.

#### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01st April, 2023. The Company does not expect the amendment to have any significant impact in its consolidated financial statements.

#### Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01st April, 2023. The Company does not expect the amendment to have any significant impact in its consolidated financial statements.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 2. Cash and Cash Equivalents

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Cash on hand	8	21
Balances with Banks - in Current Account #	28,574	68,238
Balance with Banks - in Fixed Deposits Accounts having original maturity up to 3 months (including accrued interest)	2,27,837	60,819
<b>Total</b>	<b>2,56,419</b>	<b>1,29,078</b>

# Includes ₹ 2,589 Lacs pertaining to a cash credit account with a bank, having a debit balance as at 31st March, 2023 (31st March, 2022 ₹ 5,097 Lacs).

## (i) Changes in Cash Flow from financing activities

Particulars	As at 1st April, 2022	Movement*			As at March 31, 2023
		Change due to Sale of Subsidiaries	Cash	Non-Cash	
Debt Securities	2,59,552	-	-	392	2,59,944
Borrowings (Other than Debt Securities)	26,76,864	-	(10,773)	3,249	26,69,340
Subordinated Liabilities	2,94,582	-	-	876	2,95,458
<b>Total</b>	<b>32,30,998</b>	<b>-</b>	<b>(10,773)</b>	<b>4,517</b>	<b>32,24,742</b>

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

Particulars	As at 1st April, 2021	Movement*			As at March 31, 2022
		Change due to Sale of Subsidiaries	Cash	Non-Cash	
Debt Securities	2,44,148	-	-	15,404	2,59,552
Borrowings (Other than Debt Securities)	26,47,553	-	60,697	(31,386)	26,76,864
Subordinated Liabilities	2,78,531	-	41	16,010	2,94,582
<b>Total</b>	<b>31,70,232</b>	<b>-</b>	<b>60,738</b>	<b>28</b>	<b>32,30,998</b>

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

## 3. Bank Balance other than Note No. 2 above

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Unclaimed Dividend Accounts	24	24
Earmarked Balances	5,176	4,088
Fixed Deposits with banks having original maturity of more than 3 months (Including accrued interest for fixed deposits)*	13,404	13,569
<b>Total</b>	<b>18,604</b>	<b>18,681</b>

\*Includes

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
<b>Under Lien** :</b>		
- Borrowings	40	38
- Letter of Credit / Bank Guarantees	8,386	10,193
- Others	2,729	2,697

\*\* There is no outstanding towards unclaimed public deposit & interest thereon as on 31st March, 2023. However, the fixed deposit created under lien for their repayment is yet to be redeemed.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 4. Receivables :

### Trade Receivables

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Considered good - Secured;	-	-
Less : Allowance for impairment loss allowance	-	-
	-	-
(b) Considered good - Unsecured;	2,545	6,138
Less : Allowance for impairment loss allowance	381	598
	<b>2,164</b>	<b>5,540</b>
(c) Significant increase in credit risk	51	101
Less : Allowance for impairment loss allowance	2	1
	<b>49</b>	<b>100</b>
(d) Credit impaired	2,263	2,053
Less : Allowance for impairment loss allowance	2,263	2,053
	-	-
<b>Total (a+b+c+d)</b>	<b>2,213</b>	<b>5,640</b>

(i) 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 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) Trade Receivables agein schedule as at 31st March, 2023\*

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months 1 year	1-2 year	2-3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,508	518	138	-	-	2,164
(ii) Undisputed Trade receivables - which have significant increase in credit risk	21	-	-	28	-	49
(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	-	-	-	-	-	-
<b>Total</b>	<b>1,529</b>	<b>518</b>	<b>138</b>	<b>28</b>	<b>-</b>	<b>2,213</b>

### Trade Receivables agein schedule as at 31st March, 2022\*

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months 1 year	1-2 year	2-3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	4,998	470	72	-	-	5,540
(ii) Undisputed Trade receivables - which have significant increase in credit risk	72	-	28	-	-	100
(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	-	-	-	-	-	-
<b>Total</b>	<b>5,070</b>	<b>470</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>5,640</b>

\* Figures in the schedules are net of allowance for impairment loss.

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023 (Contd.)

**(iii) Movements in Expected Credit Losses Allowance is as below :**

(₹ in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	2,652	2,116
Charge in Consolidated Statement of Profit and Loss	66	541
Disposal of entity under control	-	-
Utilized during the year	(72)	(5)
<b>Balance at the end of the year</b>	<b>2,646</b>	<b>2,652</b>

**(iv) Ageing of Trade Receivables and Credit Risk arising therefrom is as below :**

(₹ in Lacs)

Particulars	As at 31st March, 2023		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	660	8	652
Due between three to six months	886	9	877
Due between six months to one year	726	208	518
Due between one year to two year	296	158	138
More than 2 year due	2,291	2,263	28
	<b>4,859</b>	<b>2,646</b>	<b>2,213</b>

(₹ in Lacs)

Particulars	As at 31st March, 2022		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	4,085	78	4,007
Due between three to six months	1,093	30	1,063
Due between six months to one year	684	213	471
Due between one year to two year	377	278	99
More than 2 year due	2,053	2,053	-
	<b>8,292</b>	<b>2,652</b>	<b>5,640</b>

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 Lacs (31st March, 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.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023 (Contd.)

5. Loan (₹ in Lacs)

Particulars	As at 31st March, 2023				As at 31st March, 2022								
	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal	Total	
<b>Loans</b>													
<b>(A)</b>													
(i) Term Loan	27,03,132	2,687	19,091	-	21,778	27,24,910	27,55,850	16,462	39,187	-	55,649	28,11,499	
(ii) Leasing	2,633	-	-	-	-	2,633	6,140	-	-	-	-	6,140	
(iii) Other Loans :													
Intercompany Deposit	177	-	-	-	-	177	177	-	-	-	-	177	
<b>Total (A) Gross</b>	<b>27,05,942</b>	<b>2,687</b>	<b>19,091</b>	<b>-</b>	<b>21,778</b>	<b>27,27,720</b>	<b>27,62,167</b>	<b>16,462</b>	<b>39,187</b>	<b>-</b>	<b>55,649</b>	<b>28,17,816</b>	
Less : Impairment loss allowance	17,78,457	-	-	-	-	17,78,457	7,86,749	-	-	-	-	7,86,749	
<b>Total (A) Net</b>	<b>9,27,485</b>	<b>2,687</b>	<b>19,091</b>	<b>-</b>	<b>21,778</b>	<b>9,49,263</b>	<b>19,75,418</b>	<b>16,462</b>	<b>39,187</b>	<b>-</b>	<b>55,649</b>	<b>20,31,067</b>	
<b>(B)</b>													
(i) Secured by tangible assets / cash flows*	25,65,560	2,687	19,091	-	21,778	25,87,338	25,88,300	16,462	39,187	-	55,649	26,43,949	
(ii) Unsecured	1,40,382	-	-	-	-	1,40,382	1,73,867	-	-	-	-	1,73,867	
<b>Total (B) Gross</b>	<b>27,05,942</b>	<b>2,687</b>	<b>19,091</b>	<b>-</b>	<b>21,778</b>	<b>27,27,720</b>	<b>27,62,167</b>	<b>16,462</b>	<b>39,187</b>	<b>-</b>	<b>55,649</b>	<b>28,17,816</b>	
Less : Impairment loss allowance	17,78,457	-	-	-	-	17,78,457	7,86,749	-	-	-	-	7,86,749	
<b>Total (B) Net</b>	<b>9,27,485</b>	<b>2,687</b>	<b>19,091</b>	<b>-</b>	<b>21,778</b>	<b>9,49,263</b>	<b>19,75,418</b>	<b>16,462</b>	<b>39,187</b>	<b>-</b>	<b>55,649</b>	<b>20,31,067</b>	
<b>(C) Loans in India</b>													
(i) Public Sector	732	-	-	-	-	732	1,078	-	-	-	-	1,078	
(ii) Others	27,05,210	2,687	19,091	-	21,778	27,26,988	27,61,089	16,462	39,187	-	55,649	28,16,738	
<b>Total (C) Gross</b>	<b>27,05,942</b>	<b>2,687</b>	<b>19,091</b>	<b>-</b>	<b>21,778</b>	<b>27,27,720</b>	<b>27,62,167</b>	<b>16,462</b>	<b>39,187</b>	<b>-</b>	<b>55,649</b>	<b>28,17,816</b>	
Less : Impairment loss allowance	17,78,457	-	-	-	-	17,78,457	7,86,749	-	-	-	-	7,86,749	
<b>Total (C) Net</b>	<b>9,27,485</b>	<b>2,687</b>	<b>19,091</b>	<b>-</b>	<b>21,778</b>	<b>9,49,263</b>	<b>19,75,418</b>	<b>16,462</b>	<b>39,187</b>	<b>-</b>	<b>55,649</b>	<b>20,31,067</b>	

\* Loans are secured by underlying hypothecated assets / receivables / immovable properties and in certain cases, are additionally secured by pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by charge over future toll revenue / cash flows / receivables etc. have been considered as secured. Securities created by the borrowers, against loan assets are based on valuation of the underlying assets, where applicable, carried out by an external valuer and relied upon. Also refer Note No. 55(i) for valuation of the assets of the Company and assets / collateral held as securities.

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023 (Contd.)

### 5. Loan (Contd....)

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

Particular	As at 31st March, 2023					As at 31st March, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount - opening balance	5,79,703	1,00,145	20,98,781	-	27,78,629	7,78,896	95,852	18,51,524	-	27,26,272
New assets originated or purchased / net disbursement @@	14,193	-	-	-	14,193	88	-	-	-	88
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted) #	(10,604)	3,063	(37,368)	-	(44,909)	(29,596)	4,569	(2,935)	-	(27,962)
Effective interest on net carrying amount	-	-	49,723	-	49,723	-	-	1,20,669	-	1,20,669
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	(3,571)	3,582	(11)	-	-	(7,032)	10,442	(3,410)	-	-
Transfers to Stage 3	(5,84,359)	(1,02,977)	6,87,336	-	0	(3,48,023)	(9,701)	3,57,724	-	-
Amounts written off	(9,607)	(7)	(79,393)	-	(89,007)	(17,350)	(160)	(22,928)	-	(40,438)
<b>Gross carrying amount closing balance@</b>	<b>68,974</b>	<b>3,598</b>	<b>27,18,676</b>	<b>-</b>	<b>27,91,248</b>	<b>5,79,703</b>	<b>1,00,145</b>	<b>20,98,781</b>	<b>-</b>	<b>27,78,629</b>

Note : Other balances includes shortfall in payment to Company lenders who were assigned the pool loans (Refer Note No.53).

@ Excludes gross carrying amount of loans designated at fair value through profit or loss amounting to ₹ 19,091 Lacs (31st March, 2022 ₹ 39,187 Lacs) out of which ₹ 19,091 Lacs (31st March, 2022 ₹ 25,924) is classified as Stage 3 assets.

@@ On conversion of investment to loan.

# Represents balancing figure.

### ii. Reconciliation of ECL balance is given below :\*

Particular	As at 31st March, 2023					As at 31st March, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	35,576	4,174	7,47,652	-	7,87,402	36,111	4,395	5,83,596	-	6,24,102
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 #	(12,706)	169	10,67,651	-	10,55,114	(20,541)	19	1,94,846	-	1,74,324
Transfers to Stage 1	12,417	(52)	(12,365)	-	-	34,869	(128)	(34,741)	-	-
Transfers to Stage 2	(80)	95	(15)	-	-	(63)	708	(645)	-	-
Transfers to Stage 3	(24,873)	(3,930)	28,803	-	-	(13,843)	(780)	14,623	-	-
Unwind of discount	-	-	-	-	-	-	-	-	-	-
Amounts written off	(451)	(1)	(66,487)	-	(66,939)	(958)	(40)	(10,027)	-	(11,025)
<b>ECL allowance - closing balance</b>	<b>12,994</b>	<b>455</b>	<b>17,65,239</b>	<b>-</b>	<b>17,78,688</b>	<b>35,576</b>	<b>4,174</b>	<b>7,47,652</b>	<b>-</b>	<b>7,87,402</b>

\* Includes ECL allowance of ₹ 7,541 Lacs (31st March, 2022 ₹ 6,273 Lacs) on off balance sheet exposure.

\* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 229 Lacs (31st March, 2022 ₹ 653 Lacs).

# Represents balancing figure.

iii. The contractual amount outstanding on loan assets that were written off during the reporting period but are still subject to enforcement activity is ₹ 59,186 Lacs (31st March, 2022 ₹ 5,090 Lacs).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the borrowers.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023 (Contd.)

## 6. Investment

Particular	As at 31st March, 2023					As at 31st March, 2022								
	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through Profit or Loss	Subtotal	Others	Total	Amortised cost	Through other Comprehensive Income	Through Profit or Loss	Designated at fair value through Profit or Loss	Subtotal	Others	Total
<b>Investments</b>														
Debt securities	18,571	526	9,125	-	9,651	-	28,222	16,574	526	57,812	-	58,338	-	74,912
Equity instrument other than Joint Venture & Associates	-	17,066	44,583	-	61,649	-	61,649	-	21,087	57,937	-	79,024	-	79,024
In Units of Trusts and Schemes of Venture Funds	-	25,993	2,426	-	28,419	-	28,419	-	6,370	1,788	-	8,158	-	8,158
<b>Total - Gross A</b>	<b>18,571</b>	<b>43,585</b>	<b>56,134</b>	-	<b>99,719</b>	-	<b>1,18,290</b>	<b>16,574</b>	<b>27,983</b>	<b>1,17,537</b>	-	<b>1,45,520</b>	-	<b>1,62,094</b>
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	18,571	43,585	56,134	-	99,719	-	1,18,290	16,574	27,983	1,17,537	-	1,45,520	-	1,62,094
<b>Total - B</b>	<b>18,571</b>	<b>43,585</b>	<b>56,134</b>	-	<b>99,719</b>	-	<b>1,18,290</b>	<b>16,574</b>	<b>27,983</b>	<b>1,17,537</b>	-	<b>1,45,520</b>	-	<b>1,62,094</b>
Less : Impairment loss allowance (C)	(9,590)	-	-	-	-	-	(9,590)	(9,590)	-	-	-	-	-	(9,590)
<b>Total - Net D = (A) - (C)</b>	<b>8,981</b>	<b>43,585</b>	<b>56,134</b>	-	<b>99,719</b>	-	<b>1,08,700</b>	<b>6,984</b>	<b>27,983</b>	<b>1,17,537</b>	-	<b>1,45,520</b>	-	<b>1,52,504</b>

- (i) During the period dividend income has been recognised for ₹ 0.02 Lacs (Previous year ₹ 0.005 Lacs) on equity instruments categorised as measured at fair value through other comprehensive income.
- (ii) The Company is holding 95,93,10,000 equity shares in erstwhile India Power Corporation Limited (CIN : U40101WB2003PLC097340) ("erstwhile IPLC"), in terms of the Scheme of Arrangement and Amalgamation of erstwhile IPLC into and with DPSC Limited (now known as India Power Corporation Limited) ("DPSC") (CIN : L40105WB1919PLC003263) as sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013, the Shareholders of erstwhile IPLC (including the Company) are entitled to be allotted 11 equity shares of ₹1 each of DPSC for every 100 equity shares of erstwhile IPLC held by them. Thus, the Company will be allotted 10,55,24,100 equity shares in DPSC which will constitute 6.69% of the post amalgamation paid up share capital of DPSC. As the Company has been given to understand, the said allotment of the aforesaid shares of DPSC to the Company will be done in terms of the Scheme sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013 after certain pending clearance(s) / approval(s) from the Stock Exchanges are obtained by DPSC. Therefore, 10,55,24,100 nos. of shares of DPSC as aforesaid is considered in the investment schedule. As the equity shares of DPSC is listed, closing price is considered for the purpose of valuation as on 31st March, 2023 and 31st March, 2022. The matter relating to the allotment of equity shares of IPLC to the Company is pending due to non-compliance of SEBI Regulations by IPLC.
- (iii) The Company is holding 18,80,333 units in Infra Construction Fund (ICF), managed by Trinity Alternative Investments Managers Limited (Trinity). The Company arrives at the fair valuation of units of ICF based on the NAV of the units provided by Trinity. ICF has made investments in equity shares of India Power Corporation Limited (IPCL) which are pending allotment. Till 31st December, 2021, Trinity considered the quoted price of shares of IPCL as on balance sheet date for arriving the NAV of ICF.
- As on 31st March 2022, the valuation provided by Trinity to the Company, considered the fair value of equity instrument in equity shares of IPCL at Nil, considering prolonged delay in allotment of equity shares of IPCL till date since 2013. However, as per the NAV provided by Trinity as on 30th September, 2022, the fair valuation of units of ICF was considered as ₹ 19,952 Lacs under the same legal circumstances as existed on previous reporting periods. For the purpose of accounting, such impact has been considered in the financial results resulting into loss in investment in ICF by ₹ 53,065 Lacs for the quarter ended 31st March, 2022 and again resulting into gain in investment in ICF and Other Comprehensive Income by ₹ 19,952 Lacs during the quarter ended 30th September, 2022. The Company has entered with the Trinity management regarding such frequent change in approach for valuation of these shares and no response has been received till date. The Company considered the fair value of units of ICF as ₹ 19,335 Lacs as on 31st March, 2023 as per the NAV provided by Trinity. The matter relating to the allotment of equity shares of IPCL to ICF is pending due to non-compliance of SEBI Regulations by IPCL.
- (iv) Trinity is managing various funds in which the Company has invested. As a practice, Trinity was providing NAV of all the funds on quarterly basis till 31st March, 2022. However, as on 30th June, 2022, Trinity has not provided NAV of any funds. As per explanation given by Trinity Management, as per Clause 23 (1) of AIF Regulations, 2012, Investment Managers are mandated to provide NAV at least once in every six months. So, next NAV of the funds was due on 31st March, 2023. However, in spite of several follow-ups, Trinity has provided NAV of three Funds out of five funds in which SIFL has invested. The Company has taken NAV impact of three Funds provided by Trinity and continuing to value the investments in remaining two Funds at the NAV provided as on 30th September, 2022 amounting to ₹ 3,900 Lacs. The Company is unable to ascertain the impact on valuation of investments in Funds, had the NAV of remaining two funds as on 31st March, 2023 would have been provided by Trinity.
- (v) 950 nos. NCD's (face value Rs. 10,00,000 each) issued by Fortis Healthcare Holdings Private Ltd were transferred to SEFL under Slump exchange w.e.f. 01st October, 2019. Being matured ISIN, the depository has rejected the transfer request given by the Company in favor of SEFL. Therefore, these NCD's are being held by the Company for the benefit of SEFL and not considered as investments of the Company.
- (vi) Anagha Steel Marketing Limited (erstwhile Essar Steel Marketing Limited and formerly Essar Pellets Marketing Limited) had against a loan granted by the Company pledged 32,57,400 units of Infrastructure Project Development Fund (IPDF) having face value ₹ 100/- each as security for the loan. Pursuant to the BTA (Refer Note No. 57) the said Loan was transferred to the SEFL. Due to non-payment of the dues by Anagha Steel Marketing Limited, the pledge was invoked by virtue of which the units were transferred to the Company on 24th February, 2022. The Company continues to hold the units on behalf of the SEFL. Further, the SEFL has initiated the process to get the units transferred in its name. Fair Valuation of Infrastructure Project Development Fund (IPDF) units Investment is based on last available valuation report of dated 19th October, 2022.
- (vii) During the year ended 31st March, 2022, the Company on behalf of SEFL had invoked 49% equity shares of Sanjivik Terminals Private Limited (STPL), which were pledged as security against the loan availed by one of the borrowers of SEFL. As at 31st March, 2023, these shares appear in the demat statement of the Company, whereas the borrower was transferred to SEFL pursuant to BTA, as stated in Note No. 57. Further, the entire shares have been sold on 11th April, 2023 and the same has been transferred to the demat account of purchaser on 26th April, 2023.
- SEFL never had any intention to exercise any control / significant influence over STPL in terms of Ind AS 28. SEFL has taken an expert opinion, which confirms that since SEFL is not exercising any significant influence / control over STPL, hence, STPL is not a subsidiary / associate in terms of Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.
- (viii) Debt Securities includes Non-Principal Protected Debentures (NPPD) issued by Assets Care & Reconstruction Enterprise Limited were unilaterally redeemed from SEFL Demat account by respective issuer by using auto corporate action dated 27th May, 2022 for which the necessary accounting has not been considered in books pending clarifications / relevant documents.

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023 (Contd.)

### 7. Other Financial Assets

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Income accrued but not due	43	87
Interest retained on Pool Assigned	398	5,753
Less : Impairment loss allowance for Interest retained on Pool Assigned	-	(1,351)
Rental accrued but not due	527	191
Less : Impairment loss allowance for Rental accrued but not due	-	(20)
Loan to employees	1	56
Security deposits	1,059	1,118
Less : Impairment loss allowance for Security deposits	(708)	(249)
Excess Corpus in Gratuity Assets [Refer Note No. 46]	11	-
Advance for Investments	-	21
Claims Receivables [Refer Note No. 7.1]	62,196	72,542
Other Advances and Receivables [Refer Note No. 7.2]	539	3,041
Contribution to trust fund	1	1
<b>Total</b>	<b>64,067</b>	<b>81,190</b>

7.1 Amount as at 31st March, 2023 represents fair value of claims assigned in favour of Company in satisfaction of Debt and the said amount is subject matter of legal proceedings.

7.2 Includes receivables from the lenders on account of 'interest on interest' charged by the lenders during the moratorium period, i.e. 1st March, 2020 to 31st August, 2020 in conformity with the Hon'ble Supreme Court of India's judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on 31st March, 2023 amounting to ₹ Nil Lacs (31st March, 2022 : ₹ 1,064 Lacs).

### 8. Current Tax Assets (Net)

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Advance Tax [net of provision for tax ₹ 277 Lacs (31st March, 2022 : ₹ 500 Lacs)]	6,852	19,199
<b>Total</b>	<b>6,852</b>	<b>19,199</b>

### The reconciliation of estimated income tax to income tax expense is as below :

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Profit Before Tax	(11,10,858)	(2,47,380)
Statutory Income Tax Rate	25.168%	27.252%
Expected income tax expense at statutory income tax rate	(2,79,581)	(67,417)
(i) Income exempt from tax / Items not deductible (net)	2,023	38,036
(ii) Effect of indexation benefit / different tax rate on certain items	-	(4,009)
(iii) Net Deferrred Tax asset charged / not recognised to Statement of Profit & Loss	2,50,419	18,690
(iv) Other differences	27,180	21,795
<b>Total Tax Expense recognised in Consolidated Statement of Profit and Loss</b>	<b>41</b>	<b>7,095</b>
<b>Total Tax Expense recognised in Other Comprehensive Income</b>	<b>(1)</b>	<b>165</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 9. Deferred Tax Assets / (Deferred Tax Liability) (Net)

Particulars	(₹ in Lacs)			
	As at 1st April, 2022	Recognised / (reversed) to Statement of Profit & Loss	Recognised / (reversed) in Other Comprehensive Income	Reclassified to Statement of Profit and Loss
MAT Credit Entitlement	-	-	-	-
Financial Assets and Liabilities at FVTPL	21,320	6,014	(12)	-
Receivables, Financial Assets and Liabilities at Amortised Cost	61,144	(14,776)	-	-
Unrealised gain on Investment carried at Fair Value	8,499	(1)	(3,246)	-
Carried Forward of Losses & Unabsorbed Depreciation	1,91,557	2,50,347	(892)	-
Property, Plant and Equipment and Intangible Assets	(13,005)	6,589	-	-
Loss under Income Tax	2,547	-	-	-
Other Temporary Differences	(2,533)	17	(6)	-
Disallowances u/s 43B of IT Act	38,277	2,071	-	-
Provisions	193	2	-	-
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>3,07,999</b>	<b>2,50,263</b>	<b>(4,156)</b>	<b>-</b>
Net Deferred tax assets not recognised in Statement of Profit & Loss	3,07,461	2,50,249	(4,155)	-
<b>Net Deferred tax assets recognised in Statement of Profit &amp; Loss</b>	<b>538</b>	<b>14</b>	<b>(1)</b>	<b>-</b>
				<b>5,54,107</b>
				<b>5,53,555</b>
				<b>552</b>

Particulars	(₹ in Lacs)			
	As at 1st April, 2021	Recognised / (reversed) to Statement of Profit & Loss	Recognised / (reversed) in Other Comprehensive Income	Reclassified to Statement of Profit and Loss
MAT Credit Entitlement	-	-	-	-
Financial Assets and Liabilities at FVTPL	14,304	6,956	60	-
Receivables, Financial Assets and Liabilities at Amortised Cost	55,905	5,177	62	-
Unrealised gain on Investment carried at Fair Value	1,688	2	6,809	-
Carried Forward of Losses & Unabsorbed Depreciation	1,81,777	9,863	(83)	-
Property, Plant and Equipment and Intangible Assets	(21,444)	8,439	-	-
Loss under Income Tax	2,547	-	-	-
Other Temporary Differences	(2,193)	(443)	103	-
Disallowances u/s 43B of IT Act	6	38,271	-	-
Provisions	192	1	-	-
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>2,32,782</b>	<b>68,266</b>	<b>6,951</b>	<b>-</b>
Net Deferred tax assets not recognised in Statement of Profit & Loss	2,32,447	68,228	6,786	-
<b>Net Deferred tax assets recognised in Statement of Profit &amp; Loss</b>	<b>335</b>	<b>38</b>	<b>165</b>	<b>-</b>
				<b>3,07,999</b>
				<b>3,07,461</b>
				<b>538</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 10. Property, Plant and Equipment

Particulars	Gross Carrying Amount			Depreciations / Amortisations and Impairment			Net Carrying Amount			
	As at 1st April, 2022	Additions	Disposals and other adjustments	As at 31st March, 2023	As at 1st April, 2022	Depreciation / amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2023	As at 31st March, 2023
<b>Assets for Own use</b>										
Freehold Land*	3,316	-	-	3,316	-	-	-	-	-	3,316
Buildings*	16,380	-	-	16,380	1,513	342	-	-	1,855	14,525
Plant and Machinery	22,613	-	-	22,613	5,163	1,031	-	-	6,194	16,419
Furniture and Fixtures	3,134	1	30	3,105	1,848	475	-	22	2,301	804
Motor Vehicles	399	-	-	399	275	47	-	-	322	77
Computers & Office Equipments	1,138	3	431	710	1,077	38	-	430	685	25
Leasehold Improvements	4,356	-	-	4,356	3,611	511	-	-	4,122	234
<b>(A)</b>	<b>51,336</b>	<b>4</b>	<b>461</b>	<b>50,879</b>	<b>13,487</b>	<b>2,444</b>	<b>-</b>	<b>452</b>	<b>15,479</b>	<b>35,400</b>
Assets given on Operating lease										
Plant and Machinery	1,57,446	-	10,450	1,46,996	75,329	13,386	-	6,226	82,489	64,507
Earthmoving Equipments	1,18,848	-	20,546	98,302	81,898	12,794	-	13,822	80,870	17,432
Furniture and Fixtures	8,227	-	1,890	6,337	4,127	715	-	1,103	3,739	2,598
Motor Vehicles	81,875	-	20,365	61,510	58,432	8,183	-	14,505	52,110	9,400
Windmills	7,821	-	-	7,821	3,671	734	-	-	4,405	3,416
Computers & Office Equipments	35,138	-	23,208	11,930	29,212	4,595	-	22,308	11,499	431
<b>(B)</b>	<b>4,09,355</b>	<b>-</b>	<b>76,459</b>	<b>3,32,896</b>	<b>2,52,669</b>	<b>40,407</b>	<b>-</b>	<b>57,964</b>	<b>2,35,112</b>	<b>97,784</b>
<b>Total (C) = (A + B)</b>	<b>4,60,691</b>	<b>4</b>	<b>76,920</b>	<b>3,83,775</b>	<b>2,66,156</b>	<b>42,851</b>	<b>-</b>	<b>58,416</b>	<b>2,50,591</b>	<b>1,33,184</b>

\* Land & Buildings includes Gross carrying amount of ₹ 26.361 Lacs in respect of which conveyance is pending (Refer Note No. 33).

## 11. Other Intangible Assets

Particulars	Gross Carrying Amount			Depreciations / Amortisations and Impairment			Net Carrying Amount			
	As at 1st April, 2022	Additions	Disposals and other adjustments	As at 31st March, 2023	As at 1st April, 2022	Depreciation / amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2023	As at 31st March, 2023
Assets for Own use										
Software	3,375	1	314	3,062	2,536	297	-	313	2,520	542
Assets given on Operating lease										
Software	554	-	111	443	552	2	-	111	443	-
<b>Total</b>	<b>3,929</b>	<b>1</b>	<b>425</b>	<b>3,505</b>	<b>3,088</b>	<b>299</b>	<b>-</b>	<b>424</b>	<b>2,963</b>	<b>542</b>

Breakup of Depreciation / Amortisation and Impairment for the year / period ended 31st March, 2023 is as below :

Particulars	Total
Property, Plant and Equipment	42,851
Other Intangible Assets	299
Right-of-use Assets	432
<b>Total</b>	<b>43,582</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 10. Property, Plant and Equipment

Particulars	Gross Carrying Amount			Depreciations / Amortisations and Impairment			Net Carrying Amount			
	As at 1st April, 2021	Additions	Disposals and other adjustments	As at 31st March, 2022	As at 1st April, 2021	Depreciation / amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2022	As at 31st March, 2022
<b>Assets for Own use</b>										
Freehold Land *	3,316	-	-	3,316	-	-	-	-	-	3,316
Buildings *	16,380	-	-	16,380	1,171	341	-	-	1,513	14,867
Plant and Machinery	22,613	-	-	22,613	4,129	1,034	-	-	5,163	17,450
Furniture and Fixtures	3,175	-	41	3,134	1,358	524	34	34	1,848	1,286
Motor Vehicles	399	-	-	399	223	52	-	-	275	124
Computers & Office Equipments	1,139	6	7	1,138	1,006	78	7	7	1,077	61
Leasehold Improvements	4,356	-	-	4,356	3,004	607	-	-	3,611	745
<b>(A)</b>	<b>51,378</b>	<b>6</b>	<b>48</b>	<b>51,336</b>	<b>10,891</b>	<b>2,636</b>	<b>-</b>	<b>41</b>	<b>13,487</b>	<b>37,849</b>
<b>Assets given on Operating lease</b>										
Plant and Machinery	1,69,348	-	11,902	1,57,446	65,748	15,382	-	5,801	75,329	82,117
Earthmoving Equipments	1,34,706	-	15,858	1,18,848	72,671	18,119	-	8,892	81,898	36,950
Furniture and Fixtures	8,255	-	28	8,227	3,304	838	-	15	4,127	4,100
Motor Vehicles	88,694	-	6,819	81,875	50,324	11,687	-	3,579	58,432	23,443
Windmills	7,821	-	-	7,821	2,937	734	-	-	3,671	4,150
Computers & Office Equipments	36,556	-	1,418	35,138	24,077	6,356	-	1,221	29,212	5,926
Aircraft	379	-	379	-	162	18	-	180	-	-
<b>(B)</b>	<b>4,45,759</b>	<b>-</b>	<b>36,404</b>	<b>4,09,355</b>	<b>2,19,223</b>	<b>53,134</b>	<b>-</b>	<b>19,688</b>	<b>2,52,669</b>	<b>1,56,686</b>
<b>Total (C) = (A + B)</b>	<b>4,97,137</b>	<b>6</b>	<b>36,452</b>	<b>4,60,691</b>	<b>2,30,114</b>	<b>55,770</b>	<b>-</b>	<b>19,729</b>	<b>2,66,156</b>	<b>1,94,535</b>

\* Land & Buildings includes Gross carrying amount of ₹ 26,361 Lacs in respect of which conveyance is pending (Refer Note No. 33).

## 11. Other Intangible Assets

Particulars	Gross Carrying Amount			Depreciations / Amortisations and Impairment			Net Carrying Amount			
	As at 1st April, 2021	Additions	Disposals and other adjustments	As at 31st March, 2022	As at 1st April, 2021	Depreciation / amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2022	As at 31st March, 2022
<b>Assets for own use</b>										
Software	3,375	-	-	3,375	2,218	318	-	-	2,536	839
<b>Assets given on operating lease</b>										
Software	612	-	58	554	592	18	-	58	552	2
<b>Total</b>	<b>3,987</b>	<b>-</b>	<b>58</b>	<b>3,929</b>	<b>2,810</b>	<b>336</b>	<b>-</b>	<b>58</b>	<b>3,088</b>	<b>841</b>

Breakup of Depreciation / Amortisation and Impairment for the year / period ended 31st March, 2022 is as below :

Particulars	(₹ in Lacs)	
	Total	
Property, Plant and Equipment	55,770	
Other Intangible Assets	336	
Right-of-use Assets	884	
<b>Total</b>	<b>56,990</b>	

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 12. Other Non-Financial Assets

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Capital Advances	30	33
Employee Advances	42	41
Advance to Vendors for Operating Expenses	368	746
Advance for Investment	-	100
Balances with Government Authorities	1,419	1,540
Repossessed Assets and Assets acquired in satisfaction of debt*	21,492	36,127
Prepaid expenses	275	441
<b>Total</b>	<b>23,626</b>	<b>39,028</b>

\* Includes repossessed assets amounting to ₹ 3,282 Lacs (previous year ₹ 17,919 Lacs) and also includes assets / collaterals acquired in satisfaction of debt amounting to ₹ 18,210 Lacs (previous year ₹ 18,210 Lacs).

## 13. Trade Payables

### (i) Total outstanding dues of micro enterprises and small enterprises

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
a) The principal amount and interest due thereon remaining unpaid to any supplier	230	210
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	-	-
<b>Total</b>	<b>230</b>	<b>210</b>

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

# The Company and SEFL is currently undergoing CIRP under the provisions of the Code. Accordingly, a moratorium has been declared under Section 14 of the Code. No interest was payable till the insolvency commencement date i.e. 8th October, 2021 and post CIRP the Company has not provided for any interest.

Trade Payables include ₹ Nil Lacs (Previous year - ₹ Nil Lacs) due to the related parties.

### (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
For Supplies and Services	710	1,130
Others	6,224	6,239
<b>Total</b>	<b>6,934</b>	<b>7,369</b>

### (iii) Trade Payables ageing schedule

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

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	13	216	-	
(ii) Others	2,254	2,426	553	1,175	6,408
(iii) Disputed dues - MSMEs and	-	-	-	-	-
(iv) Disputed dues - Others	50	-	419	58	527
<b>Total</b>	<b>2,317</b>	<b>2,642</b>	<b>972</b>	<b>1,234</b>	<b>7,165</b>

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

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	209	-	1	
(ii) Others	4,089	1,072	584	562	6,307
(iii) Disputed dues - MSMEs and	-	-	-	-	-
(iv) Disputed dues - Others	148	233	433	248	1,062
<b>Total</b>	<b>4,446</b>	<b>1,305</b>	<b>1,018</b>	<b>810</b>	<b>7,579</b>



## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

### 14. Debt Securities

(₹ in Lacs)

Particulars	As at 31st March, 2023			As at 31st March, 2022				
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
<b>Secured (Refer Note No. 65 and 74)</b>								
Non-Convertible Debentures (Refer Note 14.1)	2,55,895	-	-	2,55,895	2,55,503	-	-	2,55,503
Long - Term Infrastructure Bonds (Refer Note 14.2)	4,049	-	-	4,049	4,049	-	-	4,049
<b>Total</b>	<b>2,59,944</b>	-	-	<b>2,59,944</b>	<b>2,59,552</b>	-	-	<b>2,59,552</b>
Debt securities in India	2,59,944	-	-	2,59,944	2,59,552	-	-	2,59,552
Debt securities outside India	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,59,944</b>	-	-	<b>2,59,944</b>	<b>2,59,552</b>	-	-	<b>2,59,552</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 14.1 Secured Non - Convertible Debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) ##		Interest rate (%) *	Earliest redemption date / Balance tenure (years)
		As at 31st March, 2023 (Refer Note No. 1(a), 55, 56(a), 57 & 59)	As at 31st March, 2022 (Refer Note No. 1(a), 55, 56, 57 & 58 to the Financial Statements for the year ended 31st March, 2022)		
<b>Private Placement :</b>					
18 January, 2018	10,00,000	1,000	1,000	11.00%	18 January, 2028
20 December, 2016	10,00,000	1,000	1,000	11.00%	20 December, 2026
26 March, 2018	10,00,000	1,650	1,650	11.00%	26 March, 2025
09 December, 2014 **	10,00,000	1,900	1,900	12.05%	09 December, 2024
03 October, 2017	10,00,000	600	600	10.99%	03 October, 2024
15 September, 2017	10,00,000	2,350	2,350	10.50%	15 September, 2024
22 June, 2017	10,00,000	2,000	2,000	11.23%	22 June, 2024
20 June, 2014 \$\$	10,00,000	1,000	1,000	12.90%	20 June, 2024
13 June, 2014 \$\$	10,00,000	1,000	1,000	12.92%	13 June, 2024
10 June, 2014 **	10,00,000	1,000	1,000	13.40%	10 June, 2024
31 May, 2017	10,00,000	1,000	1,000	11.32%	31 May, 2024
26 May, 2017	10,00,000	2,000	2,000	11.45%	26 May, 2024
30 January, 2019	10,00,000	30,000	30,000	12.50%	30 January, 2024
02 December, 2016	10,00,000	500	500	11.00%	02 December, 2023
29 November, 2013 **	10,00,000	450	450	13.10%	29 November, 2023
04 April, 2018	10,00,000	1,400	1,400	10.30%	04 April, 2023
14 March, 2018	10,00,000	500	500	10.30%	14 March, 2023
24 January, 2013 **	10,00,000	110	110	13.50%	24 January, 2023
05 October, 2012 **	10,00,000	2,000	2,000	13.35%	05 October, 2022
31 July, 2012 **	10,00,000	130	130	13.40%	31 July, 2022
08 June, 2012 \$	10,00,000	70	70	13.40%	08 June, 2022
29 October, 2011 **	10,00,000	3,000	3,000	13.90%	29 October, 2021
06 October, 2016	10,00,000	500	500	11.95%	06 October, 2021
09 September, 2011 **	10,00,000	1,000	1,000	13.90%	09 September, 2021
<b>Public Issue:</b>					
11 May, 2015 #	1,000	3,215	3,215	12.25% - 12.50%	7 years
17 January, 2017 #	1,000	33,842	33,842	11.11% - 11.75%	5 years
25 May, 2018	1,000	41,598	41,598	10.75% - 11.60%	3-10 years
24 January, 2019	1,000	14,005	14,005	11.81% - 12.75%	3-5 years
06 October, 2016 **	1,000	15,585	15,585	11.60% - 12.00%	5 years
27 February, 2017 **	1,000	17,547	17,547	11.12% - 11.75%	5 years
16 March, 2018 **	1,000	27,110	27,110	10.43% - 11.26%	5 years
15 May, 2019 **	1,000	9,363	9,363	12.05% - 13.00%	3-5 years
<b>Total</b>		<b>2,18,425</b>	<b>2,18,425</b>		

Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2023 are overdue.

\* Includes penal interest

## Does not include effective interest rate adjustment ₹ Nil (31st March, 2022 : ₹ Nil), Interest Accrued and not due ₹ Nil (31st March, 2022 : ₹ Nil), discounting on face value impact of ₹ Nil (31st March, 2022 : ₹ Nil) and overdue interest ₹ 37,470 Lacs (31st March, 2022 : ₹ 37,078 Lacs).

**Security : (Refer Note No. 66 and 67)**

\*\* The Secured Non-Convertible Debentures are secured by first pari - passu charge by mortgage of immovable property at West Bengal / Tamil Nadu, SEFL had filed necessary e-forms for Debenture Trust Deed (DTD) novated from Srei Infrastructure Finance Limited (SIFL) with ROC but the same have not been approved and exclusive and / or specific charge on the specific & identified receivables of SEFL.

\$ The Secured Non-Convertible Debentures were secured by way of pari passu on immovable properties located at West Bengal and Delhi being in the books of Srei Infrastructure Finance Limited and at West Bengal owned by Controlla Electrotech Pvt Limited for which necessary e-form post novation is not filed with ROC.

\$\$ The Secured Non-Convertible Debentures are secured by way of pari - passu charge on SEFL's immovable properties located at West Bengal and exclusive & specific charge on the identified receivables of SEFL.

# The public issue of Secured Non-Convertible Debentures are secured by way of pari - passu charge on SEFL's immovable properties located at Tamil Nadu and exclusive and / or specific charge on specific receivables / assets of SEFL.

All the above Non-Convertible Debentures except those marked #,\$,\$\$,\*\* are secured by way of pari - passu charge on immovable properties and / or exclusive first charge on the specific receivables / assets of SEFL.

## 14.2 Long - Term Infrastructure Bond

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) ***		Interest rate (%) **	Earliest redemption date / Balance tenure (years)
		As at 31st March, 2023 (Refer Note No. 1(a), 55, 56(a), 57 & 59)	As at 31st March, 2022 (Refer Note No. 1(a), 55, 56, 57 & 58 to the Financial Statements for the year ended 31st March, 2022)		
Thursday, March 22, 2012	1,000	967	967	11.15%	Monday, March 22, 2027
Thursday, March 22, 2012	1,000	1,055	1,055	10.90%	Tuesday, March 22, 2022
<b>Total</b>		<b>2,022</b>	<b>2,022</b>		

The above debentures are redeemable at par in single instalment.

Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2023 are overdue.

\*\* Includes penal interest

\*\*\* Does not include Interest Accrued and not due ₹ Nil (31st March, 2022 : ₹ Nil) and overdue interest ₹ 2,027 Lacs (31st March, 2022 : ₹ 2,027 Lacs).

**Security :**

Long - term infrastructure bonds are secured by way of pari - passu mortgage / charge on immovable properties located at West Bengal, SEFL had filed necessary e-forms for DTD novated from Srei Infrastructure Finance Limited with ROC but the same have not been approved and exclusive charge on specific receivables of SEFL.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 15. Borrowings (Other than Debt Securities)

Particulars	As at 31st March, 2023			As at 31st March, 2022				
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
<b>(a) Secured (Refer Note No. 66 &amp; 67)</b>								
<b>Term Loans (Refer Note No. 15.1 &amp; 59)</b>								
From 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
From Financial Institutions								
- Rupee Loans	2,07,630	-	-	2,07,630	2,07,630	-	-	2,07,630
- Foreign Currency Loans	74,778	-	-	74,778	4,778	-	-	74,778
Working Capital Facilities (Refer Note No. 15.2 & 59)								
From Banks								
- Rupee Loans	20,02,432	-	-	20,02,432	19,99,379	-	-	19,99,379
Collateral Borrowings (Refer Note No. 15.3)	3,251	-	-	3,251	13,993	-	-	13,993
<b>(b) Unsecured</b>								
<b>Term Loans (Refer Note No. 15.4 &amp; 59)</b>								
From Banks								
- Foreign Currency Loans	31,765	-	-	31,765	31,765	-	-	31,765
From Others								
- Foreign Currency Loans	25,178	-	-	25,178	25,178	-	-	25,178
Inter Corporate Deposits (Refer Note No. 15.6 & 59)	106	-	-	106	106	-	-	106
Deferred Payment Liabilities (Refer Note No. 15.5 & 59)	9,123	-	-	9,123	9,123	-	-	9,123
<b>Total</b>	<b>26,69,340</b>	<b>-</b>	<b>-</b>	<b>26,69,340</b>	<b>26,76,864</b>	<b>-</b>	<b>-</b>	<b>26,76,864</b>
Borrowings in India	24,42,423	-	-	24,42,423	24,49,947	-	-	24,49,947
Borrowings outside India	2,26,917	-	-	2,26,917	2,26,917	-	-	2,26,917
<b>Total</b>	<b>26,69,340</b>	<b>-</b>	<b>-</b>	<b>26,69,340</b>	<b>26,76,864</b>	<b>-</b>	<b>-</b>	<b>26,76,864</b>

(₹ in Lacs)

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 15.1 Secured Term Loans

Particulars	Repayment terms (Refer Note No. 1 (a), 55, 56(a), 57, 58 & 59)							Nature of security	
	Outstanding (₹ in Lacs)		Repayment terms (₹ in Lacs)				Rate of Interest per annum		Balance tenure (years)
	As at 31st March, 2023	Overdue @	Monthly	Quarterly	Half yearly	Single instalment			
<b>Rupee term loans</b>									
From Banks	2,19,881	2,19,888	-	-	-	-	0 - 3	Hypothecation of specific assets covered by hypothecation loan agreements and / or lease agreements with customers and / or receivables arising there from.	
From Financial institutions	2,07,630	2,07,630	-	-	-	-	0 - 2		
<b>Total</b>	<b>4,27,511</b>	<b>4,27,511</b>	-	-	-	-	-		
Foreign currency term loans									
From Banks	95,196	95,196	-	-	-	-	0 - 2	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.	
From Financial institutions	74,778	74,778	-	-	-	-	0 - 6		
<b>Total</b>	<b>1,69,974</b>	<b>1,69,974</b>	-	-	-	-	-		

Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2023 are overdue.

Does not include effective interest rate adjustment and Interest Accrued and not due ₹ Nil.

@ It includes interest overdue.

Particulars	Repayment terms (Refer Note No. 1 (a), 56, 57 & 59 to the Financial Statements for the year ended 31st March, 2022)							Nature of security	
	Outstanding (₹ in Lacs)		Repayment terms (₹ in Lacs)				Rate of Interest per annum		Balance tenure (years)
	As at 31st March, 2022	Overdue @@	Monthly	Quarterly	Half yearly	Single instalment			
<b>Rupee term loans</b>									
From banks	2,19,716	2,19,716	-	-	-	-	0 - 4	Hypothecation of specific assets covered by hypothecation loan agreements and / or lease agreements with customers and / or receivables arising there from.	
From financial institutions	2,07,630	2,07,630	-	-	-	-	0 - 3		
<b>Total</b>	<b>4,27,346</b>	<b>4,27,346</b>	-	-	-	-	-		
Foreign currency term loans									
From banks	95,196	95,196	-	-	-	-	1 - 3	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.	
From financial Institutions	74,778	74,778	-	-	-	-	0 - 7		
<b>Total</b>	<b>1,69,974</b>	<b>1,69,974</b>	-	-	-	-	-		

@ It also includes interest overdue.

## 15.2 Secured Working capital facilities

(Refer Note No. 1 (a), 55, 56(a), 57, 58 & 59 to the Financial Statements for the year ended 31st March, 2023).

Working capital facilities (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets covered by respective hypothecation loan agreements and lease agreements with customers and receivables arising therefrom ranking pari - passu (excluding assets specifically charged to others) (Refer Note No. 67). Further collateral security in the form of fixed deposits amounting to ₹ 41 Lacs (31st March, 2022; ₹ 39 Lacs) is also given on behalf of the consortium. Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2023 are overdue.

a) As at 31st March, 2023, Working capital facilities from banks include Working capital demand loans (WC DL) aggregating to ₹ 6,85,646 Lacs (31st March, 2022; ₹ 6,85,517 Lacs). Does not include interest accrued and not due ₹ Nil (31st March, 2022; ₹ Nil Lacs). Rate of interest for WC DL ranges from 8% to 19% per annum (31st March, 2022; ₹ Nil Lacs). The above WC DL includes principal and interest overdue.

b) As at 31st March, 2023, Working capital facilities from banks includes Funded Interest Term Loan (FITL) ₹ 81,625 Lacs (31st March, 2022; ₹ 81,506 Lacs). Does not include interest accrued and not due ₹ Nil (31st March, 2022; ₹ Nil). Rate of interest for FITL ranges from 9% to 19% per annum (31st March, 2022; ₹ Nil Lacs). The above FITL amount includes principal and interest overdue.

c) As at 31st March, 2023, for other working capital facilities (Cash credit) aggregating to ₹ 12,35,162 Lacs (31st March, 2022; ₹ 12,32,355 Lacs) includes overdue interest, rate of interest ranges from 9% to 18% per annum (31st March, 2022; ₹ Nil Lacs).

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

### 15.3 Secured Collateralised Borrowings

(₹ in Lacs)

Particulars	Outstanding		Repayment terms (Refer Note No. 1 (a), 55, 56(a), 57, 58 & 59)				Balance tenure (years)	Rate of Interest per annum	Nature of security
	(₹ in Lacs)	(₹ in Lacs)	Overdue @#	Monthly	Quarterly	Half yearly			
Collateralised Borrowings	3,370	47	47	3,246	77	-	0-3	8% - 13%	This represents amount against assignment of future lease rentals.
<b>Total</b>	<b>3,370</b>	<b>47</b>	<b>47</b>	<b>3,246</b>	<b>77</b>	<b>-</b>			

Does not include effective interest rate adjustment ₹ 134 Lacs and Interest accrued and not due ₹ 15 Lacs.

@ It also includes interest overdue.

# The overdue is due to outstanding receivables from the customers.

(₹ in Lacs)

Particulars	Outstanding		Repayment terms (Refer Note No. 1 (a), 56, 57 & 59 to the Financial Statements for the year ended 31st March, 2022)				Balance tenure (years)	Rate of Interest per annum	Nature of security
	(₹ in Lacs)	(₹ in Lacs)	Overdue @#	Monthly	Quarterly	Half yearly			
Collateralised Borrowings	14,212	750	750	10,834	2,628	-	0-4	8% - 13%	This represents amount against assignment of future lease rentals.
<b>Total</b>	<b>14,212</b>	<b>750</b>	<b>750</b>	<b>10,834</b>	<b>2,628</b>	<b>-</b>			

Does not include effective interest rate adjustment ₹ 321 Lacs and Interest accrued and not due ₹ 102 Lacs.

@ It also includes interest overdue.

# The overdue is due to outstanding receivables from the customers.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 15.4 Unsecured term loans

(₹ in Lacs)

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 1 (a), 57, 58 & 59)			Balance tenure (years)	Rate of interest per annum
		Overdue @	Quarterly	Half yearly		
As at 31st March, 2023						
Foreign currency term loan from bank	31,765	31,765	-	-	-	<10%
Foreign currency term loan from financial Institutions	25,178	25,178	-	-	-	<10%
<b>Total</b>	<b>56,943</b>	<b>56,943</b>	-	-	-	

Pursuant to initiation of CIRP (Refer Note No. 1(a), amount outstanding as at 31st March, 2023 are overdue.  
Does not include effective interest rate adjustment ₹ Nil and interest accrued and not due ₹ Nil.  
@ It also includes interest overdue.

(₹ in Lacs)

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 1 (a), 56, 57 & 59 to the Financial Statements for the year ended 31st March, 2022)			Balance tenure (years)	Rate of interest per annum
		Overdue @	Quarterly	Half yearly		
As at 31st March, 2022						
Foreign currency term loan from bank *	31,765	31,765	-	-	-	<10%
Foreign currency term loan from financial Institutions **	25,178	25,178	-	-	-	<10%
<b>Total</b>	<b>56,943</b>	<b>56,943</b>	-	-	-	

Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2022 are overdue.  
Does not include effective interest rate adjustment ₹ Nil and interest accrued and not due ₹ Nil.  
@ It also includes interest overdue.

Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2022 are overdue.

Does not include effective interest rate adjustment ₹ Nil and interest accrued and not due ₹ Nil.

@ It also includes interest overdue.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 15.5 Unsecured Deferred payment liabilities

(₹ in Lacs)

Particulars	Outstanding		Repayment terms (Refer Note No. 1 (a), 57, 58 & 59)				Balance tenure (years)	Rate of Interest per annum
	(₹ in Lacs)		(₹ in Lacs)					
	As at 31st March, 2023	Overdue @	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities	9,123	9,123	-	-	-	-	0-1	0%-10%
<b>Total</b>	<b>9,123</b>	<b>9,123</b>	-	-	-	-		

Pursuant to initiation of CIRP [Refer Note No. 1.(a)], amount outstanding as at 31st March, 2023 are overdue.

@ It also includes interest overdue.

(₹ in Lacs)

Particulars	Outstanding		Repayment terms (Refer Note No. 1 (a), 56, 57 & 58 to the Financial Statements for the year ended 31st March, 2022)				Balance tenure (years)	Rate of Interest per annum
	(₹ in Lacs)		(₹ in Lacs)					
	As at 31st March, 2022	Overdue @	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities	9,123	9,123	-	-	-	-	0-1	0%-10%
<b>Total</b>	<b>9,123</b>	<b>9,123</b>	-	-	-	-		

Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2022 are overdue.

@ It also includes interest overdue.

## 15.6 Inter - corporate deposits

(₹ in Lacs)

Particulars	Outstanding		Repayment terms (Refer Note No. 1 (a), 57, 58 & 59)				Balance tenure (years)	Rate of Interest per annum
	(₹ in Lacs)		(₹ in Lacs)					
	As at 31st March, 2023	Overdue @	Monthly	Quarterly	Half yearly	Yearly		
Inter - corporate deposits	106	106	-	-	-	-	0-1	7%
<b>Total</b>	<b>106</b>	<b>106</b>	-	-	-	-		

Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2023 are overdue.

Does not includes Interest accrued and not due ₹ Nil.

@ It also includes interest overdue.

(₹ in Lacs)

Particulars	Outstanding		Repayment terms (Refer Note No. 1 (a), 56, 57 & 58 to the Financial Statements for the year ended 31st March, 2022)				Balance tenure (years)	Rate of Interest per annum
	(₹ in Lacs)		(₹ in Lacs)					
	As at 31st March, 2022	Overdue @	Monthly	Quarterly	Half yearly	Yearly		
Inter - corporate deposits	106	106	-	-	-	-	0-1	7%
<b>Total</b>	<b>106</b>	<b>106</b>	-	-	-	-		

Pursuant to initiation of CIRP [Refer Note No. 1 (a)], amount outstanding as at 31st March, 2022 are overdue.

Does not includes Interest accrued and not due ₹ Nil.

@ It also includes interest overdue.

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

### 16. Subordinated Liabilities

Particulars	As at 31st March, 2023			As at 31st March, 2022				
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
<b>Secured (Refer Note No. 65 and 74)</b>								
Subordinated Perpetual bonds/debentures (Tier I Capital)	48,164	-	-	48,164	48,016	-	-	48,016
Subordinated bonds / debentures (Tier II Capital)	2,30,469	-	-	2,30,469	2,29,741	-	-	2,29,741
Subordinated Loans - Unsecured	16,825	-	-	16,825	16,825	-	-	16,825
<b>Total</b>	<b>2,95,458</b>	<b>-</b>	<b>-</b>	<b>2,95,458</b>	<b>2,94,582</b>	<b>-</b>	<b>-</b>	<b>2,94,582</b>
Subordinated Liabilities in India	2,95,458	-	-	2,95,458	2,94,582	-	-	2,94,582
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,95,458</b>	<b>-</b>	<b>-</b>	<b>2,95,458</b>	<b>2,94,582</b>	<b>-</b>	<b>-</b>	<b>2,94,582</b>

(₹ in Lacs)

#### 16.1 Unsecured subordinated perpetual debentures (Tier I Capital) \*

During the year ended 31st March, 2023, the Company raised Unsecured subordinated perpetual debentures amounting ₹ Nil (31st March, 2022 : ₹ Nil). As at 31st March, 2023, the amount of principal outstanding in respect of unsecured subordinated perpetual debentures is ₹ 46,750 Lacs (31st March, 2022 : ₹ 46,750 Lacs). These perpetual debentures have call option as per contractual terms which is exercisable with prior approval of RBI. These perpetual debentures have a step up coupon rate of 100 basis points per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment.

Interest rate (%)	Amount outstanding (₹ in Lacs)			Earliest call option date
	As at 31st March, 2023 (Refer Note No. 1(a) 56 (b), 57, 58 & 59)	As at 31st March, 2022 (Refer Note No. 1(a), 55, 56, 57 & 58 to the Financial Statements for the period ended 31st March, 2022)		
10.00%	32,000	32,000		01 April, 2029
10.00%	1,000	1,000		22 April, 2029
13.00%	10,000	10,000		13 December, 2028
14.50%	3,750	3,750		30 December, 2021**
<b>Total</b>	<b>46,750</b>	<b>46,750</b>		

\* Pursuant to the admission of SIFL and SEFL under the CIRP, the companies has not provided for interest for the year ended 31st March, 2023 in respect of SIFLs and SEFLs obligation for interest on Non-convertible Perpetual Bond. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.

Does not include effective interest rate adjustment ₹ Nil (31st March, 2022: ₹ Nil Lacs), Interest accrued and not due ₹ Nil (31st March, 2022: ₹ Nil Lacs) and overdue interest ₹ 1,414 Lacs (31st March, 2022: ₹ 1,265 Lacs).

\*\* CIRP has been initiated against the Company, as stated in Note No. 1 (a) and accordingly, as per the Code, the Administrator has invited the financial / operational / other creditors to file their respective claims as on 08th October, 2021 (i.e. date of commencement of CIRP). Considering the same, the Company has not able to exercise Call Option at the end of 10th year from the date of allotment.



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

### 16.2 Unsecured Rupee subordinated loans (Tier II Capital)

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 1 (a), 56 (b), 57, 58 & 59)		Balance tenure (Years)	Rate of Interest per annum
		Overdue @	Quarterly (₹ in Lacs)		
Rupee Subordinated term loans (Tier II Capital) *	16,825	16,825	-	-	10% - 11%
<b>Total</b>	<b>16,825</b>	<b>16,825</b>	-	-	

Pursuant to initiation of CIRP (Refer Note No.1(a)), amount outstanding as at 31st March, 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 Lacs)	Repayment terms (Refer Note No. 1 (a), 56, 57, 58 to the Financial Statements for the period ended 31st March, 2022)		Balance tenure (Years)	Rate of Interest per annum
		Overdue @	Quarterly (₹ in Lacs)		
Rupee Subordinated term loans (Tier II Capital)	16,825	16,825	-	0 - 1	10% - 11%
<b>Total</b>	<b>16,825</b>	<b>16,825</b>	-	-	

Pursuant to initiation of CIRP [Refer Note No. 1(a)], amount outstanding as at 31st March, 2022 are overdue.

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

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 16.3 Unsecured subordinated redeemable non-convertible debentures (Tier II Capital)

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

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lacs) #		Interest rate (%)*	Earliest redemption date / Balance tenure (years)
		As at March 31st, 2023 (Refer Note No. 1(a), 56(b), 57, 58 & 59)	As at March 31st, 2022 (Refer Note No. 1(a), 55, 56, 57 & 58 to Financial Statements for the period ended 31st March, 2022)		
<b>Private Placement :</b>					
10 October, 2018	10,00,000	500	500	12.25%	10 October, 2028
23 June, 2017	10,00,000	4,500	4,500	11.00%	23 June, 2027
30 March, 2017	10,00,000	5,000	5,000	12.25%	30 March, 2027
04 November, 2016	10,00,000	1,000	1,000	11.85%	04 November, 2026
07 October, 2016	10,00,000	4,000	4,000	12.75%	07 October, 2026
04 October, 2016	10,00,000	1,500	1,500	12.75%	04 October, 2026
24 August, 2016	10,00,000	3,000	3,000	11.50%	24 August, 2026
26 May, 2016	10,00,000	350	350	12.25%	26 May, 2026
25 May, 2016	10,00,000	2,000	2,000	12.75%	25 May, 2026
31 March, 2016	10,00,000	2,000	2,000	12.00%	31 March, 2026
18 March, 2016	10,00,000	500	500	12.70%	18 March, 2026
05 February, 2016	10,00,000	500	500	12.60%	05 February, 2026
20 January, 2016	10,00,000	500	500	12.60%	20 January, 2026
11 January, 2016	10,00,000	1,500	1,500	12.60%	11 January, 2026
24 September, 2015	10,00,000	500	500	12.50%	24 September, 2025
20 August, 2015	10,00,000	1,000	1,000	12.50%	20 August, 2025
13 August, 2015	10,00,000	15,000	15,000	12.75%	13 August, 2025
16 March, 2015	10,00,000	500	500	13.00%	16 March, 2025
01 March, 2017	10,00,000	500	500	12.40%	01 June, 2024
03 July, 2018	10,00,000	5,000	5,000	12.25%	03 May, 2024
25 October, 2016	10,00,000	5,000	5,000	11.80%	25 April, 2024
10 March, 2017	10,00,000	7,500	7,500	12.95%	10 March, 2024
17 July, 2013	10,00,000	2,300	2,300	12.75%	17 July, 2023
29 June, 2013	10,00,000	3,540	3,540	12.75%	29 June, 2023
07 May, 2013	10,00,000	2,080	2,080	13.25%	07 May, 2023
24 September, 2015	10,00,000	1,200	1,200	12.40%	24 April, 2023
29 March, 2016	10,00,000	200	200	12.70%	29 March, 2023
28 March, 2013	10,00,000	1,650	1,650	13.25%	28 March, 2023
01 March, 2013	10,00,000	1,750	1,750	13.25%	01 March, 2023
28 January, 2013	10,00,000	700	700	13.80%	28 January, 2023
24 January, 2013	10,00,000	900	900	13.25%	24 January, 2023
24 January, 2013	10,00,000	6,070	6,070	13.80%	24 January, 2023
16 January, 2013	10,00,000	250	250	13.70%	16 January, 2023
16 January, 2013	10,00,000	7,000	7,000	13.85%	16 January, 2023
17 December, 2012	10,00,000	1,700	1,700	13.50%	17 December, 2022
31 October, 2012	10,00,000	490	490	13.70%	31 October, 2022
18 October, 2012	10,00,000	1,060	1,060	13.70%	18 October, 2022
28 September, 2012	10,00,000	2,890	2,890	13.70%	28 September, 2022
13 August, 2015	10,00,000	5,000	5,000	12.75%	13 August, 2022
31 July, 2012	1,00,000	1,206	1,206	13.50%	31 July, 2022
09 March, 2017	10,00,000	500	500	12.18%	09 June, 2022
01 June, 2012	1,00,000	1,130	1,130	13.50%	01 June, 2022
30 March, 2012	10,00,000	10,000	10,000	13.40%	30 March, 2022
12 January, 2012	1,00,000	8,410	8,410	13.90%	12 January, 2022
11 January, 2012	1,00,000	6,600	6,600	13.90%	11 January, 2022
23 December, 2011	1,00,000	6,905	6,905	13.90%	23 December, 2021
01 February, 2016	10,00,000	700	700	12.15%	01 May, 2021
24 September, 2015	10,00,000	2,360	2,360	12.30%	24 April, 2021
<b>Public Issue :</b>					
24 January, 2019	1,000	1,428	1,428	12.75% - 13.00%	10 years
08 August, 2017	1,000	56,199	56,199	11.25% - 11.70%	5 - 10 years
16 March, 2018	1,000	2,702	2,702	11.12% - 11.75%	10 years
<b>Total</b>		<b>1,98,770</b>	<b>1,98,770</b>		

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

Pursuant to initiation of CIRP [Refer Note No. 1(a)], amount outstanding as at 31st March, 2023 are overdue.

\* Includes penal interest

# Does not include effective interest rate adjustment ₹ Nil (31st March, 2022: ₹ Nil Lacs), Interest Accrued and not due ₹ Nil (31st March, 2022: ₹ Nil Lacs), discounting on face value impact of ₹ Nil (31st March, 2022: ₹ Nil Lacs) and overdue interest ₹ 31,699 Lacs (31st March, 2022: ₹ 30,971 Lacs).

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 17. Other Financial Liabilities

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividends (Refer Note No. 68)	24	24
Unpaid Matured Debentures and Interest Accrued thereon (Refer Note No. 68)	333	333
Trade Deposits received	8,510	11,784
Security Deposits & Retentions	507	531
Payable to Employees	1,317	1,375
Liability for Operating Expenses	2,569	3,258
Financial Guarantee Liability	105	227
Advance from Operating Lease Customers	1,978	2,065
Advances and Due to Others	-	150
<b>Total</b>	<b>15,343</b>	<b>19,747</b>

## 18. Provisions

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits (Refer Note No. 46)		
Provision for Gratuity	-	372
Provision for Unavailed Leave (including sick leave)	340	463
Others		
Provision against disputed statutory dues under litigation (Refer Note No. 70)	15,008	15,001
<b>Total</b>	<b>15,348</b>	<b>15,836</b>

## 19. Other Non-Financial Liabilities

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Interest Capitalisation Account	1,878	1,495
Advance from Customers	4	5
Statutory Liabilities	2,013	2,741
Pre-received amount for lease contracts	93	290
<b>Total</b>	<b>3,988</b>	<b>4,531</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 20. Equity Share Capital

(₹ in Lacs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
<b>Authorised</b>				
Equity Shares, ₹ 10/- par value per share	1,00,00,00,000	1,00,000	1,00,00,00,000	1,00,000
Preference Shares, ₹ 100/- par value per share	5,00,00,000	50,000	5,00,00,000	50,000
		<b>1,50,000</b>	<b>1,50,000</b>	
<b>Issued and subscribed</b>				
Equity Shares, ₹ 10/- par value per share	50,30,86,333	50,309	50,30,86,333	50,309
Fully Paid-up				
Equity Shares, ₹ 10/- par value per share	50,30,86,333	50,309	50,30,86,333	50,309
Forfeited Shares	-	-	-	-
		<b>50,309</b>	<b>50,309</b>	

### 20.1 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 :

(₹ in Lacs)

Equity Shares	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	50,30,86,333	50,309	50,30,86,333	50,309
Add: Issued during the year	-	-	-	-
At the end of the year	50,30,86,333	50,309	50,30,86,333	50,309

### 20.2 Rights, preferences and restrictions in respect of each class of shares

The Group's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Group during the year ended 31st March, 2023 and 31st March, 2022.

Dividend are declared in Indian rupees. The dividend, if any, 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 Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 20.3 Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares (during 5 years preceding 31st March, 2023)

The Group has not issued any shares without payment being received in cash / by way of bonus shares during last 5 years.

### 20.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below :

(₹ in Lacs)

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	30,36,75,845	60.36	30,36,75,845	60.36

### 20.5 Shareholding of promoters as at 31st March, 2023 :

#### Shares held by promoters at the end of the year

Sl. Promoter name	No. of shares	% of total shares	% Change during the year
(i) Adisri Commercial Private Limited (Holding Company)	30,36,75,845	60.36%	-
(ii) Sunil Kanoria	18,02,714	0.36%	-
(iii) Hemant Kanoria	3,80,000	0.08%	-
<b>Total</b>	<b>30,58,58,559</b>	<b>60.80%</b>	

#### Shareholding of promoters as at 31st March, 2022 :

Sl. Promoter name	No. of shares	% of total shares	% Change during the year
(i) Adisri Commercial Private Limited (Holding Company)	30,36,75,845	60.36%	-
(ii) Sunil Kanoria	18,02,714	0.36%	-
(iii) Hemant Kanoria	3,80,000	0.08%	-
<b>Total</b>	<b>30,58,58,559</b>	<b>60.80%</b>	

**Note :** Promoter here means promoter as defined in the Companies Act, 2013.

### 20.6 Refer Note No. 41 - for Company's capital management objectives, policies and processes.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 21. Other Equity

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)</b>		
Opening balance	55,219	54,904
Add : Transfer from retained earnings	-	315
<b>Closing balance</b>	<b>55,219</b>	<b>55,219</b>
<b>Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)</b>		
Opening balance	25,834	25,834
<b>Closing balance</b>	<b>25,834</b>	<b>25,834</b>
<b>Capital Reserve</b>		
Opening balance	1,04,744	1,04,744
<b>Closing balance</b>	<b>1,04,744</b>	<b>1,04,744</b>
<b>Securities Premium</b>		
Opening balance	62,441	62,441
<b>Closing balance</b>	<b>62,441</b>	<b>62,441</b>
<b>Bond / Debenture Redemption Reserve</b>		
Opening balance	10,222	10,222
Less : Transfer to retained earnings, on repayment of Bond / Debenture	-	-
<b>Closing balance</b>	<b>10,222</b>	<b>10,222</b>
<b>General Reserve</b>		
Opening balance	1,36,801	1,36,801
<b>Closing balance</b>	<b>1,36,801</b>	<b>1,36,801</b>
<b>Equity Instruments through Other Comprehensive Income</b>		
Opening balance	(27,400)	6,808
Add : Additions during the year	15,605	(33,147)
Less : Reclassification to Retained Earnings (net of tax)	-	(1,061)
<b>Closing balance</b>	<b>(11,795)</b>	<b>(27,400)</b>
<b>Foreign Currency Translation Reserve</b>		
Opening balance	11	-
Add : Additions during the year	(11)	11
<b>Closing balance</b>	<b>-</b>	<b>11</b>
<b>Impairment Reserve</b>		
Opening balance	5,70,463	4,47,464
Add : Additions during the year	45,532	1,22,999
<b>Closing balance</b>	<b>6,15,995</b>	<b>5,70,463</b>
<b>Debt Instruments through Other Comprehensive Income</b>		
Opening balance	952	1,162
Add : Addition during the year	(719)	(210)
Less : Reclassified to Consolidated Statement of Profit and Loss	-	-
<b>Closing balance</b>	<b>233</b>	<b>952</b>
<b>Effective portion of Cash Flow Hedges</b>		
Opening balance	1	(13)
Add : Additions during the year	-	14
<b>Closing balance</b>	<b>1</b>	<b>1</b>
<b>Retained Earnings</b>		
Opening balance	(15,95,389)	(12,18,576)
Add : Profit for the year	(11,10,894)	(2,54,531)
Add : Other Comprehensive Income (net of tax)	(163)	(29)
	<b>27,06,446</b>	<b>14,73,136</b>
<b>Add / Less : Appropriations</b>		
Transferred to Special Reserve	-	(315)
Transferred to Impairment Reserve	(45,532)	(1,22,999)
Transferred to Bond / Debenture Redemption Reserve (Net)	-	-
Transferred to Foreign Currency Translation Reserve	-	-
Reclassification from Other Comprehensive Income	-	1,061
<b>Total appropriations</b>	<b>(45,532)</b>	<b>(1,22,253)</b>
<b>Closing balance</b>	<b>(27,51,978)</b>	<b>(15,95,389)</b>
<b>Total</b>	<b>(17,52,283)</b>	<b>(6,56,101)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 21. Other Equity (Contd.)

### (i) Special Reserve :

Every year the Company and its wholly owned subsidiary i.e. Srei Equipment Finance Limited being the Non-Banking Financial Companies, transfers a sum of not less than twenty percent of net profit after tax of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IC of The Reserve Bank of India Act, 1934.

### The conditions and restrictions for distribution attached to Special Reserve is as follows :

No appropriation of any sum from the reserve fund shall be made by the Group 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.

### (ii) Income Tax Special Reserve :

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.

### (iii) Capital Reserve :

This reserve represents capital investment subsidy received, amount forfeited towards warrant subscription and amount on cancellation of forfeited equity shares.

### (iv) 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.

### (v) Bond / Debenture Redemption Reserve :

Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date 19th June, 2016 issued by Ministry of Corporate Affairs, Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to DRR and no DRR is required in case of privately placed debenture.

As per the notification G.S.R. 574(E) dated 16th August, 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.

### (vi) General Reserve :

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

### (vii) Equity Instruments through Other Comprehensive Income :

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

### (viii) Foreign Currency Translation Reserve :

Exchange differences arising on translation of a foreign associate are recognised in Other Comprehensive Income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Profit or Loss when the investment is disposed-off.

### (ix) Impairment Reserve :

Impairment reserve created pursuant to paragraph 2 (b) of Annex to the guidelines DOR (NBFC). CC.PD.NO.109/22.10.106/2019-20 dated 13th March, 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 Srei Equipment Finance Limited.

### (x) Debt Instruments through Other Comprehensive Income :

Financial assets 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.

### (xi) 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.

### (xii) Retained Earnings :

This reserve represents the cumulative profits of the Group. This can be utilised in accordance with the provisions of the Companies Act, 2013.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 22. Interest Income

(₹ in Lacs)

Particulars	2022-23				2021-22			
	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 measured at fair value through profit or loss	Total
Interest on Loans	389	1,14,317	2,999	1,17,705	2,458	2,47,703	2,789	2,52,950
Interest income from investments	-	527	424	951	-	178	22	200
Interest on deposits with Banks	-	9,702	-	9,702	-	1,444	-	1,444
Other interest Income	-	60	-	60	-	-	-	-
<b>Total</b>	<b>389</b>	<b>1,24,606</b>	<b>3,423</b>	<b>1,28,418</b>	<b>2,458</b>	<b>2,49,325</b>	<b>2,811</b>	<b>2,54,594</b>

## 23. Net gain / (loss) on fair value changes

(₹ in Lacs)

Particulars	2022-23	2021-22
(A) Net gain / (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives	-	1,128
(ii) Net gain / (loss) on financial instruments at fair value through profit or loss		
- Derivatives		
- Investments	(11,333)	(22,635)
- Loans	(116)	(12,999)
- Claims Receivable	1,825	7,014
<b>Total Net gain / (loss) on fair value changes (A)</b>	<b>(9,624)</b>	<b>(27,492)</b>
Fair Value changes :		
- Realised	-	4,964
- Unrealised	(9,624)	22,528
<b>Total Net gain / (loss) on fair value changes (B) to tally with (A)</b>	<b>(9,624)</b>	<b>(27,492)</b>

## 24. Other Income

(₹ in Lacs)

Particulars	2022-23	2021-22
Liability No Longer Required written back *	362	3,094
Interest on Income Tax Refund	1,493	386
Net gain / (loss) on Foreign Currency Transactions	-	(1,074)
Others **	14	314
<b>Total</b>	<b>1,869</b>	<b>2,720</b>

\*It includes gain on reversal of PFI guarantee liabilities amounting to ₹ 21 Lacs during the current financial year (Previous year : ₹ NIL) and Liability no longer required ₹ 36 Lacs (Previous year ₹ 1 Lac).

\*\*It includes gain on termination of lease liabilities amounting to ₹ NIL (Previous year: ₹ 236 Lacs).

## 25. Finance Costs

(₹ in Lacs)

Particulars	2022-2023		2021-22	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings [Refer Note No. 56 (a)]	-	6,077	-	1,84,792
Interest on debt securities	-	392	-	15,413
Interest on subordinated liabilities [Refer Note No. 56 (b)]	-	874	-	16,051
Other interest expense	-	281	-	662
<b>Total</b>	<b>-</b>	<b>7,624</b>	<b>-</b>	<b>2,16,918</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 26. Impairment on Financial Instruments (Net)

(₹ in Lacs)

Particulars	2022-2023		2021-22	
	On Financial liabilities measured at fair value through OCI	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through OCI	On Financial liabilities measured at Amortised Cost
Loans	(424)	1,48,980	(57)	2,02,009
Other financial assets	-	6,340	-	(441)
<b>Total</b>	<b>(424)</b>	<b>1,42,640</b>	<b>(57)</b>	<b>2,01,568</b>

## 27. Employee Benefits Expenses

(₹ in Lacs)

Particulars	2022-23	2021-22
Salaries and wages	8,077	11,277
Contribution to provident and other funds	557	786
Staff welfare expenses	111	98
<b>Total</b>	<b>8,745</b>	<b>12,161</b>

## 28. Administrative and Other Expenses

(₹ in Lacs)

Particulars	2022-23	2021-22
Rent, Taxes and Energy Costs	562	5,985
Repairs and Maintenance	2,476	2,752
Communication Costs	186	252
Printing and Stationery	63	83
Advertisement and Publicity	25	101
Director's Fees, Allowances and Expenses	17	225
Auditor's Fees and Expenses	353	399
Legal and Professional Charges	3,880	4,544
Insurance	419	240
Repossession Expenses	-	659
Corporate Social Responsibility Expenses (Refer Note No. 28.1)	-	-
Travelling & Conveyance	1,174	1,422
Net loss on derecognition of Property, Plant and Equipment	7,555	7,413
Impairment on capital advance	-	(29)
Other Expenditure	429	94
CIRP Cost	2,019	1,205
<b>Total</b>	<b>19,158</b>	<b>25,345</b>

### 28.1 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	2022-23	2021-22
(a) Gross amount required to be spent by the Group during the year		
(b) Amount of expenditure incurred (paid in cash)	N.A.	N.A.
(c) Shortfall at the end of the year	N.A.	N.A.
(d) Total of previous years shortfall	576	576
(e) Reason for shortfall	Refer Note No. 65	Refer Note No. 65
(f) Nature of CSR activities	N.A.	N.A.
(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	N.A.	N.A.
(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.	N.A.	N.A.

### 28.2 CIRP Expense

(₹ in Lacs)

Particulars	2022-23	2021-22
Fees to Resolution professional	1,302	728
Manpower Cost	209	102
Reimbursement of expenses	91	6
Other Expenses	417	369
<b>Total</b>	<b>2,019</b>	<b>1,205</b>



# Notes to the Consolidated Financial Statements

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## 29. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

		(₹ in Lacs)	
Particulars		2022-23	2021-22
<b>Profit after Tax attributable to the Equity Shareholders (₹ in Lacs)</b>	<b>(A)</b>	<b>(11,10,899)</b>	<b>(2,54,475)</b>
Basic and Diluted			
(a) Number of Equity Shares at the beginning of the year		50,30,86,333	50,30,86,333
(b) Number of Equity Shares issued during the year		-	-
(c) Number of Equity Shares at the end of the year		50,30,86,333	50,30,86,333
(d) Weighted average number of Equity Shares outstanding during the year	<b>(B)</b>	50,30,86,333	50,30,86,333
(e) Nominal Value of each Equity Share (₹)		10	10
<b>Basic and Diluted Earnings per Equity Share (₹)</b>	<b>(A/B)</b>	<b>(220.82)</b>	<b>(50.58)</b>

There have been no transaction involving ordinary equity shares or potential equity shares between the reporting date and the date of completion of these standalone financial statements which would require the restatement of EPS.

## 30. Contingent Liabilities and Commitments (To the Extent Not Provided For)

		(₹ in Lacs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
<b>A. Contingent Liabilities</b>			
(a) Claims against the Group not acknowledged as debts : *			
Disputed Demands :			
Income Tax		6,980	6,982
Service Tax **		1,868	1,868
Value Added Tax (VAT)		1,212	1,212
ESIC		-	3
(b) Guarantees :			
Corporate Guarantees		3,270	5,270
Bank Guarantees		471	1,568
(c) Uncalled money for paid up capital towards investments		620	620
(d) Others***		35	-
<b>Total</b>		<b>14,456</b>	<b>17,523</b>
<b>B. Commitments</b>			
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)		-	****
Capital Commitments (to the extent not provided for)		-	-

In respect of above, it is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

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

Based on the directions of RBI, during the year ended 31st March, 2022 provision has been made amounting to ₹ 9,807 Lacs and ₹ 4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where the Company was under various stages of appeal with the relevant tax authorities (Refer Note No. 70), details of which is as given below :

Entry Tax - ₹ 30 Lacs, Value Added Tax - ₹ 86 Lacs, Central Sales Tax - ₹ 1 Lacs, Service tax - ₹ 400 Lacs, Income Tax - ₹ 225 Lacs, Central Sales Tax - ₹ 211 Lacs, Service tax - ₹ 4,263 Lacs, Income Tax - ₹ 9,582 Lacs.

Further, during the year ended 31st March, 2023 the Company had made provision amounting to ₹ 7 Lacs in respect of indirect tax cases with the relevant tax authorities details of which is as given below :

Goods and Service Tax - ₹ 5 Lacs, Value Added Tax - ₹ 2 Lacs.

\*\* Net of ₹ 518 Lacs (31st March, 2022 : ₹ 518 Lacs) already provided for in the books of accounts.

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

\*\*\*\* ₹ 40,103/-.

In certain companies of the Group, they 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 1st September, 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

**30.1** Srei Infrastructure Finance Limited has provided Affirming letter (Co-indemnity Letter) in respect of Bharat Road Network Limited and its indemnity obligation under the agreement for divestment of equity shares of Shree Jagannath Expressways Private Limited. As the transaction is not yet consummated, there is no liability on the Company as on 31st March, 2023.

## 31. Financial Guarantees

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Bank Guarantee @	29,185	36,141
Corporate Guarantee @@	5,600	14,559
<b>Total</b>	<b>34,785</b>	<b>50,700</b>

@ Represents bank guarantees issued on behalf of the customer and other parties.

@ Includes ₹ 301 Lacs (31st March, 2022 : ₹ 416 Lacs) issued on behalf of SIFL including out of banks credit line which was transferred to SEFL as part of BTA (refer Note No. 57).

@@ Represents corporate guarantee issued on behalf of the customers.

**32.** No proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder during the year ended 31st March, 2023 and 31st March, 2022.

## 33. Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in lacs) @		Title deeds held in the name of	Whether title deed holder is promoter*, diector or relative# of promoter / director	Property held since which date \$	Reason for not being held in the name of the Company
		As at 31st March, 2023	As at 31st March, 2022				
Property, Plant & Equipment	Building (Saket, New Delhi)	8,747.34	8,747.34	South Lake Properties Pvt Ltd/ Pushp Vihar Properties Pvt Ltd / Koshika Properties Pvt Ltd/ Wales Properties Pvt Ltd	No	September - 2010	**
Other Non-Financial Assets - Assets acquired in satisfaction of debt No.	Land	11,800	11,800	Murti Housing and Finance Private Limited	No	September - 2017	Due to procedural issues, title deeds are not registered in the name of the Company
	Land	639	639	Deccan Chronicle Secunderabad Private Limited and Deccan Chronicle Rajahmundry Private Limited	No	June - 2018	
	Land	678	678	Krystine Vintrade Pvt Ltd Balanced Dealers Pvt.Ltd Shivdhan Sales Pvt. Ltd Wellknown Vinimay Pvt Ltd Malank Dealtrade Pvt Ltd Balanced Commotrade Pvt Ltd Kavya Dealmark Pvt Ltd Alaukik Commercial Pvt Ltd Kripa Dealmark Pvt Ltd	No	March - 2016	
	Land	483	483	Mohamad Akil Shaikh and Ahmad Noor represented by its constituted attorney Mohamad Akil Shaikh	No	December - 2016	
	Building	2,400	2,400	Kakarlapudi Venkata Madhava Varma	No	September - 2015	
	Building	32	32	Sierra Constructions Pvt Ltd	No	September - 2016	
	Land	138	138	Kabbalamma, Smt. Sukanya & Sri Prasanna represented by constituted attorney holder Sri L. Chandrasekhar	No	September - 2015	
	Land	1,444	1,444	Wianxx Impex Private Limited	No	September - 2017	

@ Gross carrying value represents value of Assets acquired in satisfaction of debt as disclosed in Other Non-Financial Assets given in Note No. 12.

\* Promoter here means promoter as defined in the Companies Act, 2013.

# Relative here means relative as defined in the Companies Act, 2013.

\$ Month and year since the property is acquired by the Company.

\*\* In respect of property at Saket Place, New Delhi ('Property'), which was purchased by SIFL from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice. The Property is in the possession of the Company and being used for its business purposes. Further, the Company is depositing related corporation taxes in its name. Therefore, in accordance to Ind AS 16, the said Property (pending its conveyance) is continued to be shown as aforesaid.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 34. Relationship with Struck - off Companies

Name of struck - off Company	Nature of transactions with struck - off Company	Balance outstanding as on off 31st March, 2023 (₹ in Lacs)	Balance outstanding as on off 31st March, 2022 (₹ in Lacs)	Relationship with the struck - off company, if any, to be disclosed #
Vishal Packaging Private Limited	Receivables (Loans outstanding)	210	210	Not Applicable
Uday Associates Private Limited	Receivables (Loans outstanding)	64	107	Not Applicable
Bhatti Automobiles Private Limited	Receivables (Loans outstanding)	36	34	Not Applicable
Ishanika Plywoods Private Limited	Receivables (Loans outstanding)	34	34	Not Applicable
Shakti Infraestate And Trade Mart Private Limited	Receivables (Loans outstanding)	4	4	Not Applicable
Raffles Supply Chain Solutions Private Limited	Receivables (Loans outstanding)	0	2158	Not Applicable
Rajbala RBR Realcon Private Limited	Receivables (Loans outstanding)	43	-	Not Applicable
Magnate Marketing Services Private Limited	Receivable (Stamp Duty Charges)	-	*	Not Applicable
Four Seasons Hotel Private Limited	Payable ( Fooding & Hotel Expense)	**	-	Not Applicable
Grandways Courier Services Private Limited	Payable (Postage & Courier )	***	***	Not Applicable

\* ₹ 33,000/-

\*\* ₹ 2,630.59

\*\*\* ₹ 648.46

# As per the definition of 'related party' under Section 2(76) of the Act.

Reduction in balance outstanding amount is due to collection, written off etc.

## 35. Undisclosed Income

There are no any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31st March, 2023 and 31st March, 2022 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

There are no previously unrecorded income and related assets have been properly recorded in the books of account during the year ended 31st March, 2023 and 31st March, 2022 .

36. The Companies in the Group have not been declared as wilful defaulter by any bank or financial Institution or other lender during the year ended 31st March, 2023 and 31st March, 2022.

Based on the information available in the public domain, some of the lenders have declared the bank accounts of SIFL and SEFL as fraud. However, in case of one of the lenders, on the basis of petition filed by the ex-promoter before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated 22nd April, 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 22nd April, 2022 shall continue till the next date of hearing i.e. 15th May, 2023. Further update on this is not available in public domain.

37. The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

38. The Group has taken borrowings from banks or financial institutions on the basis of security of current assets.

Pursuant to initiation of CIRP [Refer Note No. 1(a)], SEFL has not filed quarterly returns or statements of current assets with banks or financial institutions for the quarters ended 30th June, 2022, 30th September, 2022, 31st December, 2022 and 31st March, 2023.

During the previous year, quarterly returns or statements of current assets filed by SEFL with banks or financial institutions for the quarter ended 30th June, 2021 and 30th September, 2021 are in agreement with the books of accounts. Further, pursuant to initiation of CIRP [Refer Note No. 1 (a)] , SEFL has not filed quarterly returns or statements of current assets with banks or financial institutions for the quarter ended 31st December, 2021 and 31st March, 2022.

Current assets for this purpose includes loans and other receivables which are expected to be realised within twelve months after the reporting date.

## 39. Utilisation of Borrowed funds and share premium :

(A) During the year ended and as at 31st March, 2023 and 31st March, 2022, the Group 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 Group (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 31st March, 2023 and 31st March, 2022, the Group 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.

## 40. Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31st March, 2023 & 31st March, 2022.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 41. 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 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 increment in the provisions held and liquidity problems faced by the Company, the net worth of the Company has been fully eroded. The Company is presently under CIRP with effect from 08th October, 2021 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.

## 42. Regulatory Capital (Capital Adequacy Ratio)

Particulars	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Tier I capital	(17,052)	(5,353)
Tier II capital	-	30,881
<b>Total capital*</b>	<b>(17,052)</b>	<b>(5,353)</b>
Risk Weighted Assets **	54,843	68,452
Tier I Ratio (%)	-31.09%	-7.82%
Tier II Ratio (%)	-	-

\* 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. As at 31st March, 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, share premium, perpetual debt instrument, retained earnings including current year profit / (loss), statutory reserves and other free reserves less deferred revenue expenditure and intangible assets. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 43. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Group and provides additional information on consolidated 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. 1.20 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 Group's financial instruments :

(₹ in Lacs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b>a) Measured at Amortised Cost</b>				
i) Cash and Cash Equivalents	2,56,419	2,56,419	1,29,078	1,29,078
ii) Bank Balance other than (i) above	18,604	18,604	18,681	18,681
iii) Trade Receivables	2,213	2,213	5,640	5,640
iv) Other Receivables	-	-	-	-
v) Loans	9,27,485	9,54,848	19,75,418	20,11,304
vi) Investments	8,981	8,981	6,984	6,984
vii) Other Financial Assets	1,871	1,871	8,648	8,648
<b>Sub-total</b>	<b>12,15,573</b>	<b>12,42,936</b>	<b>21,44,449</b>	<b>21,80,335</b>
<b>b) Measured at Fair value through Profit or Loss</b>				
ii) Loans	19,091	19,091	39,187	39,187
iii) Investments	56,134	56,134	1,17,537	1,17,537
iv) Other financial assets	62,196	62,196	72,542	72,542
<b>Sub-total</b>	<b>1,37,421</b>	<b>1,37,421</b>	<b>2,29,266</b>	<b>2,29,266</b>
<b>c) Measured at Fair value through Other Comprehensive Income</b>				
i) Investments	43,585	43,585	27,983	27,983
ii) Loans	2,687	2,687	16,462	16,462
<b>Sub-total</b>	<b>46,272</b>	<b>46,272</b>	<b>44,445</b>	<b>44,445</b>
<b>Total Financial Assets</b>	<b>13,99,266</b>	<b>14,26,629</b>	<b>24,18,160</b>	<b>24,54,046</b>
<b>Financial Liabilities</b>				
<b>a) Measured at Amortised Cost</b>				
i) Trade Payables	7,164	7,164	7,579	7,579
ii) Debt Securities	2,59,944	2,59,944	2,59,552	2,62,624
iii) Borrowings (Other than Debt Securities)	26,69,340	26,69,423	26,76,864	26,76,993
iv) Subordinated Liabilities	2,95,458	2,95,458	2,94,582	2,94,583
v) Lease Liabilities	638	638	830	830
vi) Other Financial Liabilities	15,343	15,343	19,747	19,747
<b>Sub-total</b>	<b>32,47,887</b>	<b>32,47,970</b>	<b>32,59,154</b>	<b>32,62,356</b>
<b>b) Measured at Fair Value through Profit or Loss</b>				
i) Derivative Financial Instruments	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Financial Liabilities</b>	<b>32,47,887</b>	<b>32,47,970</b>	<b>32,59,154</b>	<b>32,62,356</b>

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 Group'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 observable future cash flows based on terms, discounted at the 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

Other financial assets have assets with short - term maturity (less than twelve months) as on consolidated balance sheet date and therefore, 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(a), 59) the carrying value as at 31st March, 2023 has been considered as fair value.

#### Other financial liabilities and lease liabilities measured at amortised cost

Other financial liabilities have liability with short - term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

Such instruments majorly include : Trade and Other payables and Trade Deposits.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 43. 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 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.

Valuation techniques with significant unobservable inputs (Level 3) : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, Loans and Other Financial Assets included in level 3.

Particulars	As at 31st March, 2023			
	Level 1	Level 2	Level 3	Total
(₹ in Lacs)				
<b>Financial Assets</b>				
Derivative Financial Instruments	-	-	-	-
Loans	-	-	21,778	21,778
Investments	22,942	1,439	75,338	99,719
Other Financial Assets	-	-	62,196	62,196
	<b>22,942</b>	<b>1,439</b>	<b>1,59,312</b>	<b>1,83,693</b>

Particulars	As at 31st March, 2022			
	Level 1	Level 2	Level 3	Total
(₹ in Lacs)				
<b>Financial Assets</b>				
Derivative Financial Instruments	-	-	-	-
Loans	-	-	55,649	55,649
Investments	22,165	1,484	1,21,871	1,45,520
Other Financial Assets	-	-	72,542	72,542
	<b>22,165</b>	<b>1,484</b>	<b>2,50,062</b>	<b>2,73,711</b>

**Note 1** : Fair value of the Company's assets and liabilities that are measured at fair value on a recurring basis.

**Note 2** : The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, all its liabilities are crystallised as at as on 08th October, 2021 (Insolvency Commencement Date or 'ICD'). Hence, it has been assumed that the carrying value of the liabilities approximates the fair value.

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

Particulars	Fair Value As at		Fair Value Hierarchy	Valuation Technique and Key Input	Significant Unobservable Input
	31st March, 2023	31st March, 2022			
(₹ in Lacs)					
<b>Financial Assets</b>					
Derivative Financial Instruments	-	-	Level 2	Note (i)	Not Applicable
Loans	21,778	55,649	Level 3	Note (ii)	Note (vi), (vii) & (ix)
Other Financial Assets	62,196	72,542	Level 3	Note (ii)	Note (x)
Investments	22,942	22,165	Level 1	Note (iii)	Not Applicable
Investments	1,439	1,484	Level 2	Note (iv) & (v)	Not Applicable
Investments	75,338	1,21,871	Level 3	Note (ii) & (vi)	Note (vii) & (viii)
<b>Financial Liabilities</b>					
Derivative Financial Instruments	-	-	Level 2	Note (i)	Not Applicable

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 43. Financial Instruments and Related Disclosures (contd.)

### (i) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

### (ii) Income Approach

The discounted cash flow method was used to capture the present value of the the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

### (iii) Quoted Prices

Quoted bid prices of an active market was used.

### (iv) Comparable Company Method

Relevant information from companies operating in similar economic environment and industry was used.

### (v) Price to Revenue / Earnings Multiple Method

Price was derived as a multiple of revenue / earnings based on relevant information from companies operating in similar economic environment and industry.

### (vi) Other Inputs

(a) Market Multiple Method : Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method : Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method : Value of the underlying net assets of the business.

(vii) Discount rate, determined using average lending rate of the company or discount rate considered by the valuer.

(viii) Estimated future cash flows.

(ix) The fair value of loans is derived based on the valuation of the underlying assets.

(x) Probability of recovery and discount rate considered by the Valuer.

## Reconciliation of Level 3 fair value measurements

Reconciliation	(₹ in Lacs)					
	Loans		Investments		Other Financial Assets	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Opening Balance	55,649	98,402	1,21,871	1,45,318	72,542	65,897
Purchases / Addition	2,190	9,769	627	6,341	-	-
Sales / Repayments / Transfers to amortised cost *	(13,501)	(43,823)	(13,869)	(571)	-	(1,804)
Transfers into Level 3	-	-	-	-	-	-
Transfers from Level 3	-	-	-	-	-	-
Net interest income, net trading income and other income	-	-	-	-	-	-
Unrealised income / (loss)	(22,265)	(8,546)	(33,291)	(58,460)	(10,346)	8,449
Other Comprehensive Income	(295)	(152)	-	(757)	-	-
<b>Closing Balance</b>	<b>21,778</b>	<b>55,649</b>	<b>75,338</b>	<b>1,21,871</b>	<b>62,196</b>	<b>72,542</b>

\* Includes write off

## Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable / unfavourable range.

Reconciliation	As at 31st March, 2023		As at 31st March, 2022	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans at FVTOCI	-	-	419	(378)
Loans at FVTPL	666	(631)	1,657	(1,556)
Investments	1,219	(1,193)	7,846	(7,049)
Other Financial Assets	1,723	(1,172)	1,983	(1,894)
<b>Total</b>	<b>3,608</b>	<b>(2,996)</b>	<b>11,905</b>	<b>(10,877)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 43. Financial Instruments and Related Disclosures (contd.)

### C) Financial risk management objectives

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.

SIFL and SEFL is currently undergoing CIRP [Refer Note No. 1 (a)] under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. Post CIRP, the Company has reconstituted the Risk Management Committee including constitution of its sub committees viz Operational Risk Management Committee of Executives, Credit Risk Management Committee of Executives and the Product & Process Approval Committee. The Asset Liability Management Committee (ALCO) has also been reconstituted. The Financial risk management framework would undergo revision post implementation of the approved resolution plan.

#### a) Market risk

The Group's Financial Instruments are exposed to market changes. The Group is exposed to the following significant market risk :

- i. Foreign Currency Risk
- ii. Interest Rate Risk
- iii. Other Price Risk

#### i. Foreign currency risk

The Group 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 Group's functional currency (Indian Rupees).

SIFL and SEFL is currently undergoing CIRP [Refer Note No. 1 (a)] 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 8th October, 2021 (Insolvency Commencement Date or 'ICD'). Hence, there is no foreign currency risk and consequently foreign currency sensitivity is not applicable as at 31st March, 2023.

#### Foreign Currency Exposure

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

(₹ in Lacs)			
Hedged Foreign Currency balances : *	Currency	As at 31st March, 2023	As at 31st March, 2022
Borrowings (Other than Debt Securities)	USD	-	-
	EUR	-	-

\* The same does not meet hedge documentation criteria as per Ind AS 109.

(₹ in Lacs)			
Unhedged Foreign Currency balances**	Currency	As at 31st March, 2023	As at 31st March, 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. 60.

#### Foreign currency sensitivity

##### Impact on increase in 2%

(₹ in Lacs)		
Currency	As at 31st March, 2023	As at 31st March, 2022
USD	-	-
EUR	-	-

##### Impact on decrease in 2%

Currency	As at 31st March, 2023	As at 31st March, 2022
USD	-	-
EUR	-	-

The Group has entered into Spots, Forwards and Currency Swaps to manage its foreign currency risk. Hence, the Group's profit and loss and equity is not exposed to such foreign currency sensitivity.

**Note :** If the rate is decreased by 2%, profit of the group will increase by an equal amount.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 43. Financial Instruments and Related Disclosures (contd.)

### ii. Interest rate risk

The Group is exposed to interest rate risk as the Group borrows foreign currency funds at fixed plus floating interest rate benchmarks. The Group 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 Group is absolutely dependent on banks for such hedging limits.

SIFL and SIFL is currently undergoing CIRP [Refer Note No. 1(a)] 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 8th 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 31st March, 2023 for the borrowings of the Company.

The group is further exposed to interest rate risk as the group lends funds at floating interest rates.

### Interest Rate Exposure [Financial Instruments at variable interest rates]

	(₹ in lacs)			
As at 31st March, 2023	INR	EUR	USD	Total
Financial Assets				
Loans	5,70,810	-	-	5,70,810
Financial Liabilities				
Borrowings (Other than Debt Securities)	-	-	-	-
Subordinated Liabilities	-	-	-	-
As at 31st March, 2022	INR	EUR	USD	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 Group's consolidated statement of profit and loss and equity.

### Interest Rate Sensitivities for outstanding exposure (impact on increase in 2%)

Currency	As at 31st March, 2023	As at 31st March, 2022
INR	11,416	16,129
USD	-	-
EUR	-	-

Figures in brackets indicate decrease in profit.

In some cases, the Group has entered into cross currency swap and interest rate swaps to manage its interest rate risk. The Group's profit and loss and equity is not exposed to interest rate sensitivity to that extent.

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 decreased by 2%, profit of the group will increase by an equal amount.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

### 43. Financial Instruments and Related Disclosures (contd.)

#### iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group 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 and Loss / fair value through Other Comprehensive Income as at 31st March, 2023 is ₹ 16,603 Lacs (31st March, 2022: ₹ 20,766 Lacs).

A 10% change in equity prices of such securities held as at 31st March, 2023 and 31st March, 2022 would result in an impact of ₹ 1,660 Lacs in 31st March, 2023 (31st March, 2022 ₹ 2,077 Lacs).

#### b) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's ALCO lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

The Company is currently undergoing CIRP [Refer Note No. 1(a)] under the provisions of the Code, accordingly, a moratorium has been declared under Section 14 of the Code. The current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the company. The Liquidity risk management framework would undergo revision post implementation of the approved resolution plan.

#### Liquidity risk management :

Particulars	As at 31st March, 2023				As at 31st March, 2022				Total
	On demand	Less than 3 months	3 to 12 months	> 12 months	On demand	Less than 3 months	3 to 12 months	> 12 months	
<b>A : Financial Assets</b>									
i) Cash and Cash Equivalents	28,579	2,27,840	-	-	716	1,28,362	-	-	1,29,078
ii) Bank Balance other than (i) above	24	956	11,723	5,901	24	5,613	9,183	3,861	18,681
iii) Trade & Other Receivables	-	4,778	36	54	-	7,861	383	53	8,297
iv) (a) Loans	-	1,12,850	30,257	27,83,078	-	1,11,165	55,870	29,04,601	30,71,636
iv) (b) Liability towards Assignment *	-	(1,94,946)	(3,178)	(80)	-	(2,19,023)	(27,792)	(6,995)	(2,53,810)
v) Investments	-	3,653	2,217	1,02,830	-	363	42,488	1,09,653	1,52,504
vi) Other Financial Assets	-	2,067	48,195	15,442	-	13,468	11,958	57,581	83,007
<b>Total</b>	<b>28,603</b>	<b>1,57,198</b>	<b>89,250</b>	<b>29,07,225</b>	<b>740</b>	<b>47,809</b>	<b>92,090</b>	<b>30,68,754</b>	<b>32,09,393</b>
<b>B : Financial Liabilities</b>									
i) Trade Payables **	-	339	2,464	-	-	1,557	563	-	7,579
ii) Borrowings ***	-	1,406	1,454	33,525	-	4,395	6,594	36,324	32,31,318
iii) Lease Liability	-	103	250	292	-	108	280	506	894
iv) Other Financial Liabilities	24	11,890	2,063	751	55	14,969	1,752	2,843	19,747
<b>Total</b>	<b>24</b>	<b>13,738</b>	<b>6,231</b>	<b>34,568</b>	<b>55</b>	<b>21,029</b>	<b>9,189</b>	<b>39,673</b>	<b>32,59,538</b>

\* Amount in first bucket includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation.

\*\* Repayments of Trade Payables, Borrowings and Other Financial Liabilities admitted as claims pursuant to initiation of CIRP (Refer Note No.75) are not determinable.

\*\*\* Includes repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to intimation of CIRP (Refer note no 58 and 59).

#### c) Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

Credit risk is monitored by the credit risk department which is independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties.

SEFL & SIFL is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under Section 14 of the Code.

The principal business of the Group is to provide financing in the form of loans to its clients primarily to acquire assets and infrastructure lending. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. The Group also provides Leasing services to its clients which result in accrual of Trade Receivables. The Group is exposed to credit risk to the extent of such Trade Receivables. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has credit policies approved by the Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 43. Financial Instruments and Related Disclosures (contd.)

The Group uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables as per accounting standards. In addition, the Group also assesses impairment 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.

### d) Operational Risk

The Group 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 Group are being reviewed periodically to identify improvement areas and put in place enhanced controls to minimise operational risk.

The Operational Risk Framework has been strengthened post CIRP [Refer Note No. 1(a)] 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 Group viz Credit Policy, Risk Policy and Stressed Asset Management Policy.

## 44. Transfers of financial assets

### Transfers of financial assets that are not derecognised in their entirety :

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

## 45. Assets obtained by taking possession of collateral

The Group has obtained certain non-financial assets during the year by taking possession of collaterals or underlying assets on default by the party. The Group's policy is to determine whether a repossessed asset can be released back to the customer or should be sold. Assets which are identified for sale are classified as Repossessed Assets and Assets acquired in satisfaction of debt at their fair value or carrying value, whichever is lower. The Group's policy is to realise collateral on a timely basis

The table below outlines the nature and values of assets acquired in satisfaction of debt obtained during the year.

Particulars	(₹ in Lacs)	
	22-23	21-22
Land	-	-
Others	2,710	6,403
<b>Total assets obtained by taking possession of collateral</b>	<b>2,710</b>	<b>6,403</b>

## 46. Disclosure pursuant to Ind AS 19 - Employee Benefits

### Defined contribution plans

The Group has recognised, in Consolidated Statement of Profit and Loss for the year ended 31st March, 2023 an amount of ₹ 497 Lacs (Previous year ₹ 625 Lacs) as expenses under defined contribution plans.

### Defined benefit plans

#### (A) Gratuity Fund :

The Group makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the Group. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Group have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

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. The Group makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Group's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

#### (B) Long - term Compensated Absence :

The employees' long - term compensated absence scheme, which is a Defined Benefit Plan is unfunded.

### Risk Management

The Defined Benefit Plans expose the Group 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 31st March, 2023.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

46.1 Particulars in respect of employee benefits of the Group are as follows :

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2023	As at 31st March, 2022	As at 1st March, 2023	As at 31st March, 2022
<b>Change in the defined benefit obligation</b>				
Present Value of Obligation at the Beginning of the Year	1,217	1,393	88	571
Current Service Cost	107	154	100	8
Interest Cost	74	78	-	2
Employer Contribution	(30)	-	-	-
Settlement (Credit) / cost	-	-	-	106
Acquisitions Cost / credit	-	-	-	9
Actuarial (gain) / loss	(1)	54	39	134
Actuarial (gain) / loss - financial assumptions	166	(29)	13	(2)
Benefits paid	(282)	(433)	(155)	(740)
<b>Present Value of Obligation at the end of the Year</b>	<b>1,251</b>	<b>1,217</b>	<b>85</b>	<b>88</b>
<b>Change in plan assets</b>				
Fair value of Plan Assets at the Beginning of the Year	841	1,034	NA	NA
Expected return on Plan Assets	3	8	NA	NA
Interest income on Plan Assets	71	57	NA	NA
Contributions by the Employer	748	156	NA	NA
Return on Plan assets greater / (lesser) than discount rate	2	(8)	NA	NA
Benefits paid	(275)	(406)	NA	NA
<b>Fair value of Plan Assets at the end of the Year</b>	<b>1,390</b>	<b>841</b>	<b>NA</b>	<b>NA</b>

### Basis used to determine the Expected Rate of Return on Plan Assets

The expected return on plan assets is determined based on government bond rate.

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2023	As at 31st March, 2022	As at 1st March, 2023	As at 31st March, 2022
<b>Amount recognised in Consolidated Balance Sheet consists of :</b>				
Fair value of Plan Assets at the end of the Year	1,390	841	-	-
Present Value of Obligation at the end of the Year	1,251	1,217	85	88
Net (Asset) / Liabilities recognised in the Consolidated Balance Sheet in respect of defined benefits *	(139)	376	85	88

\*It includes ₹ 129 Lacs not recognised by SEFL.

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2023	As at 31st March, 2022	As at 1st March, 2023	As at 31st March, 2022
<b>Expenses recognised in the consolidated statement of profit and loss consists of :</b>				
<b>Employee benefits expenses :</b>				
Current Service cost	107	154	100	122
Net Interest cost	(3)	17	-	7
Net Actuarial (gain) / loss	-	-	48	64
<b>Total [A]</b>	<b>104</b>	<b>171</b>	<b>148</b>	<b>193</b>
<b>Other Comprehensive Income</b>				
Actuarial (Gain) / Loss from experience adjustments	(1)	50	42	126
Actuarial (Gain) / Loss from financial assumptions	166	(29)	13	(2)
Return on plan assets (excluding amounts included in net interest cost)	(2)	8	-	-
<b>Total [B]</b>	<b>163</b>	<b>29</b>	<b>4</b>	<b>5</b>
<b>Expense recognised during the year [A+B]</b>	<b>267</b>	<b>200</b>	<b>152</b>	<b>198</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 46.2 Particulars of Investment Details of Plan Assets are as follows :

(₹ in Lacs)

Description	Gratuity % Invested		Leave % Invested	
	As at 31st March, 2023	As at 31st March, 2022	As at 1st March, 2023	As at 31st March, 2022
<b>Investment Details of Plan Assets</b>				
Schemes of insurance - conventional products	100%	100%	Not Applicable	Not Applicable

(₹ in Lacs)

Description	Gratuity % Invested		Leave % Invested	
	As at 31st March, 2023	As at 31st March, 2022	As at 1st March, 2023	As at 31st March, 2022
<b>46.3 Principal Assumptions used are as follows :</b>				
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%

**46.4** The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

## 46.5 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 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.

Description	As at 31st March, 2023				As at 31st March, 2022			
	Gratuity		Leave		Gratuity		Leave	
	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)
Discount Rate + 100 basis points	-27.66%	(346)	-38.82%	(33)	-7.89%	(96)	-28.41%	(25)
Discount Rate - 100 basis points	31.41%	393	44.71%	38	8.96%	109	32.95%	29
Salary Increase Rate + 1%	20.22%	253	43.53%	37	7.15%	87	32.95%	29
Salary Increase Rate - 1%	-18.15%	(227)	-38.82%	(33)	-6.74%	(82)	-28.41%	(25)

## 46.6 Maturity Analysis Of The Benefit Payments

(₹ in Lacs)

Expected payment for future years	As at 31st March, 2023		As at 31st March, 2022	
	Gratuity	Leave	Gratuity	Leave
Year 1	97	16	79	7
Year 2	51	2	112	6
Year 3	79	3	66	3
Year 4	115	5	83	4
Year 5	98	4	116	5
Next 5 Years	966	37	880	49

**46.7** Weighted average duration of defined benefit obligations: Gratuity - 12 years (31st March, 2022: 5 years). Leave - 13 years (31st March, 2022 : 4 years).

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 47. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

### Related Parties :

Holding Company :	Country of Origin
Adisri Commercial Private Limited	India
Subsidiary of Holding Company :	Country of Origin
Srei Factors Private Limited	India
Adisri Strategic Advisors Private Limited	India
Adisri Leasing Private Limited	India
Trusts :	Country of Origin
Srei Mutual Fund Trust	India

### Others :

Srei Infrastructure Finance Limited Employees Gratuity Fund

### Key Management Personnel (KMP) :

Name	Designation
Mr. Hemant Kanoria *	Chairman
Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
Mr. Shyamalendu Chatterjee *	Independent Director
Mr. Malay Mukherjee *	Independent Director
Dr. Punita Kumar Sinha *	Independent Director
Dr. Tamali Sengupta *	Independent Director
Dr. Deepali Pant Rajeev Joshi (w.e.f. 30.06.2021) *	Additional Director
(Category : Independent Director)	
Mr. Ram Krishna Agarwal (ceased w.e.f. 17.09.2021)	Independent Director
Mr. Srinivasachari Rajagopal (ceased w.e.f. 30.06.2021)	Independent Director
Mr. Rakesh Kumar Bhutoria (ceased w.e.f. 15.09.2021)	Chief Executive Officer
Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. 07.12.2021)	Chief Financial Officer
Mr. Rajneesh Sharma (w.e.f. 04.10.2021) **	Administrator
Mr. Souren Mokhopadhyay (from 30.06.2021 to 18.07.2022)	Deputy Chief Executive Officer
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Company Secretary & Chief Financial Officer
Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Chief Compliance Officer & Financial Controller
Mrs. Mahua Mukherjee (w.e.f. 30.06.2021 to 18.07.2022)	Relative of KMP
Mrs. Sangita Agarwal (w.e.f. 21.03.2022 to 31.03.2022)	Relative of KMP

\* 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.

\*Refer Note No. 1 (a).

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## Details of Related Party Transactions :

		(₹ in Lacs)			
Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance as at	For the Year ended	Balance as at
		31st March, 2023	31st March, 2022	31st March, 2022	31st March, 2022
<b>(A) Remuneration to Key Management Personnel (KMP) :</b>					
Mr. Hemant Kanoria	Remuneration	-	54	2	54
Mr. Sandeep Lakhotia (ceased w.e.f. close of business hours of 20.03.2021)	Remuneration	-	-	-	12 #
Mr. Rakesh Bhutoria (ceased w.e.f. close of business hours of 15.09.2021)	Remuneration	-	70 #	107	70 #
Mr. Souren Mukhopadhyay (w.e.f. 30.06.2021)	Remuneration	38	-	49	-
Mr. Sandeep Kumar Sultania (ceased w.e.f. close of business hours of 31.12.2021)	Remuneration	-	7 #	54	7 #
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Remuneration	45	-	39	-
Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Remuneration	39	-	1	-
Mr. Sunil Kanoria	Remuneration	-	18	2	18
	Sitting Fees	-	-	7	-
Mr. Malay Mukherjee	Sitting Fees	-	4	39	3
Mr. S. Rajagopal ceased (w.e.f. 30.06.2021 from the close of business hours)	Sitting Fees	-	-	8	-
Dr. Deepali Pant Rajeev Joshi (w.e.f. 30.06.2021)	Sitting Fees	-	-	3	-
Mr. Shyamalendu Chatterjee	Sitting Fees	-	***	28	1
Dr. Punita Kumar Sinha	Sitting Fees	-	-	9	-
Mr. Ram Krishna Agarwal (ceased w.e.f. 17.09.2021)	Sitting Fees	-	1	9	1
Dr. Tamali Sengupta	Sitting Fees	-	2	30	2
Mr. Rajneesh Sharma	Consultancy	108	-	53	-
Mrs. Mahua Mukherjee, relative of KMP (w.e.f. 30.06.2022)	Car Hire Charges	2	-	5	-
Mrs. Sangeeta Agarwal, relative of KMP (w.e.f. 21.03.2022)	Car Hire Charges	6	-	****	-

# Balance as at 31st March, 2021 and 31st March, 2022 is due to the restrictions imposed by the Lenders wherein the salary of employee was capped to ₹ 50 Lacs p.a. during the period November, 2020 to March, 2021. The Company has made provision of arrear salary of those employees as the same is payable as per the contractual obligations. The Company is pursuing with the lenders for approval of the payment.

**Note :** Figures pertaining to the previous period have been rearranged/ regrouped, wherever considered necessary, to make them comparable with those of the current period.

\*\*\* ₹ 45,000/-

\*\*\*\* ₹ 16,129/-

**Note 1 :** Settlement of outstanding balances as at year end generally occurs in cash.

**Note 2 :** Income or expenses are presented excluding GST.

**Note 3 :** All the related party transactions have been made in the ordinary course of business and the same are generally at arm's length price.

## (C) Compensation to KMPs :

Particulars	(₹ in Lacs)	
	2022-23	2021-22
Short - term benefit	220	292
Other long - term employee benefit	3	-
Post - employment benefit	7	15

## 48. Leases

### a. In the capacity of Lessee

The following is the summary of practical expedients elected on initial application :

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
  - The Group has certain cancellable operating lease arrangements for office premises, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals.
  - The Company had no non-cancellable operating lease arrangements for office premises during current and previous year.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(iii) Disclosure in accordance to Ind AS 116 is as below :

		(₹ in Lacs)	
No.	Particulars	22-23	21-22
a	Short term lease payment	575	172
b	Expense relating to leases of low - value assets		
c	Variance lease payments not included in the measurement of lease liability		
d	Income from subleasing right of use assets	-	87
e	Total Cash outflow for leases	1,062	1,369
f	Interest expense on Lease liability	88	277

g The future lease payments considered for lease liability on an undiscounted basis are as follows :

		(₹ in Lacs)	
Particulars		As at 31st March, 2023	
Less than one year		353	
One to five years		292	
More than five years		-	
<b>Total</b>		<b>645</b>	

h Details of right of use assets and its movement is as below :

		(₹ in Lacs)			
Particulars	As at 1st April, 2022	Additions	Adjustment	As at 31st March, 2023	
<b>Office Premises :</b>					
Right of use Assets	2,280	228	2	2,506	
Accumulated Depreciation / Amortisation	1,567	432	-	1,999	
<b>Net Carrying amount</b>	<b>713</b>			<b>507</b>	

		(₹ in Lacs)			
Particulars	As at 1st April, 2021	Additions	Adjustment	As at 31st March, 2022	
<b>Office Premises :</b>					
Right of use Assets	4,881	817	3,418	2,280	
Accumulated Depreciation/ Amortisation	2,037	886	1,356	1,567	
<b>Net Carrying amount</b>	<b>2,844</b>			<b>713</b>	

**Note :** During the previous year lease with net carrying amount of ₹ 1,396 Lacs was terminated.

## b. In the capacity of Lessor

- (i) The Group has given assets on Operating lease for periods ranging between 1 to 15 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the Statement of Profit and Loss for the year ended 31st March, 2023 is amounting to ₹ 55 Lacs (As at 31st March, 2022 : ₹ 566 Lacs)
- (ii) The Group also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms.
- (iii) Details of rental income towards operating lease for assets and office premises including sublease are as follows :

		(₹ in Lacs)	
Particulars		22-23	21-22
Rental Income on the basis of earnings of the Lessee		-	-
Others		20,355	44,421
<b>Total Rental Income</b>		<b>20,355</b>	<b>44,421</b>

(iv) Details of fixed future lease receivable towards operating lease for assets and office premises are as follows :

		(₹ in Lacs)	
Particulars		22-23	21-22
Not later than one year		36,129	52,776
Later than one year but not later than five years		3,366	15,176
Later than five years		560	897
<b>Total</b>		<b>40,055</b>	<b>68,849</b>



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 49. Maturity analysis of assets and liabilities

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under Section 14 of the Code. The Maturity analysis of assets and liabilities have been worked out based on certain assumption and principals as given in the note below.

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at 31st March, 2023			As at 31st March, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	2,56,419	-	2,56,419	1,29,078	-	1,29,078
Bank Balance other than above	12,703	5,901	18,604	14,820	3,861	18,681
Trade Receivables	2,213	-	2,213	5,640	-	5,640
Loans	1,28,758	10,18,709	11,47,467	1,31,955	21,52,922	22,84,877
Liability towards Assignment *	(1,98,124)	(80)	(1,98,204)	(2,46,815)	(6,995)	(2,53,810)
Investments	5,869	1,02,831	1,08,700	42,851	1,09,630	1,52,481
Other Financial Assets	48,553	15,514	64,067	23,632	57,581	81,213
Current Tax Assets (Net)	369	6,483	6,852	120	19,079	19,199
Deferred Tax Assets (Net)	-	552	552	-	538	538
Property, Plant and Equipment	-	1,33,184	1,33,184	-	1,94,535	1,94,535
Rights of Use - Assets	70	437	507	48	665	713
Other Intangible Assets	-	542	542	-	841	841
Other Non-Financial Assets	22,702	924	23,626	37,948	1,080	39,028

(₹ in Lacs)

\* For the current year, amount within 12 months includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation.

Assets	As at 31st March, 2023			As at 31st March, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	-	-	-	-	-	-
Trade Payables **	2,803	-	7,164	2,120	-	7,579
Debt Securities ***	-	-	2,59,944	-	-	2,59,552
Borrowings (Other than Debt Securities) ***	2,726	525	26,69,340	10,803	3,190	26,76,864
Subordinated Liabilities ***	-	33,000	2,95,458	-	33,000	2,94,582
Lease Liabilities	91	547	638	71	759	830
Other Financial Liabilities	13,977	751	15,343	16,776	2,843	20,150
Provisions	70	15,278	15,348	92	15,744	15,836
Other Non-Financial Liabilities	1,976	1,948	3,988	2,789	1,742	4,531

(₹ in Lacs)

\*\* Repayments of Trade Payables, Borrowings, Financial and Non Financial Liabilities admitted as claims pursuant to initiation of CIRP [Refer Note No.1(a)] are not determinable.

\*\*\* For the current year, repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP [Refer Note No. 1(a), 58 and 59].

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 50. Segment Reporting

The Chief Operating Decision - Maker (CODM) assess the financial performance and position of and makes strategic decisions. Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of services offered.

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2023 and in respect of assets / liabilities as at 31st March, 2023 - denoted as "CY" below, previous year denoted as "PY") as required by Ind AS - 108, "Operating Segments" are as under :

Particulars	(₹ in Lacs)					
	Financial Services		Others		Total	
	CY	PY	CY	PY	CY	PY
Gross Segment Revenue	1,54,653	3,09,606	318	159	1,54,971	3,09,765
Less : Inter Segment Revenue	239	132	312	156	551	288
Net Segment Revenue	1,54,414	3,09,474	6	3	1,54,420	3,09,477
Interest Income	1,28,415	2,54,591	3	3	1,28,418	2,54,594
Segment Result before Interest & Finance Charges	(87,589)	(30,398)	(52)	(64)	(87,641)	(30,462)
Interest & Finance Charges	7,624	2,16,916	-	2	7,624	2,16,918
Exceptional Items	(10,15,593)	-	-	-	(10,15,593)	-
Tax Expenses					41	7,095
Share of Profit / (Loss) of Associates						
<b>Profit After Tax</b>					<b>(11,10,899)</b>	<b>(2,54,475)</b>
Segment Assets	15,55,838	26,51,982	1,946	1,953	15,57,784	26,53,935
Unallocable Assets					7,428	19,762
<b>Total Assets</b>	<b>15,55,838</b>	<b>26,51,982</b>	<b>1,946</b>	<b>1,953</b>	<b>15,65,212</b>	<b>26,73,697</b>
Segment Liabilities	32,67,193	32,79,478	6	19	32,67,223	32,79,497
Unallocable Liabilities	24	24				
<b>Total Liabilities</b>	<b>32,67,217</b>	<b>32,79,478</b>	<b>6</b>	<b>19</b>	<b>32,67,223</b>	<b>32,79,521</b>
Capital Expenditures	5	6	-	-	5	6
Depreciation, Amortisation and Impairment	43,540	56,945	42	45	43,582	56,990
Other Non-Cash Expenditure	11,57,809	2,01,511	-	-	11,57,809	2,01,511

**50.1** Adjustment on disposal / cessation of Subsidiaries, Step - down Subsidiaries and Associate is Nil (Previous year: ₹ Nil). It has been accounted for as per Ind AS 110, "Consolidated Financial Statements".

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 51. Additional Information as per Schedule III of The Companies Act, 2013

(₹ in lacs)

Sl. No.	Name of the entity	As at 31st March, 2023									
		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income			
		As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount	As % of total comprehensive income	
	<b>Parent</b>		57,904	-0.97%	10,817	106.13%	15,625	-2.42%	26,442		
	<b>Subsidiaries</b>										
	<b>Indian :</b>										
1	Srei Infrastructure Finance Limited	-3.41%	340	0.00%	(31)	0.02%	3	0.00%	(28)		
2	Srei Capital Markets Limited	-0.02%	(17,68,073)	100.98%	(11,21,786)	-6.12%	(901)	102.42%	(11,22,687)		
3	Srei Equipment Finance Limited	103.88%	4,313	0.00%	-	0.00%	-	0.00%	-		
	Trinity Alternative Investment Managers Ltd	-0.25%									
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.00%	42	0.00%	-	0.00%	-	0.00%	-		
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.00%	7	0.00%	-	0.00%	-	0.00%	-		
6	Bengal Srei Infrastructure Development Limited	0.00%	66	0.00%	5	0.00%	-	0.00%	5		
7	Controlla Electrotech Private Limited	-0.11%	1,841	0.01%	(62)	0.00%	-	0.01%	(62)		
8	Srei Mutual Fund Asset Management Private Limited	0.00%	32	0.00%	(4)	0.00%	-	0.00%	(4)		
9	Srei Mutual Fund Trust Private Limited	0.00%	7	0.00%	(1)	0.00%	-	0.00%	(1)		
10	Srei Insurance Broking Private Limited	-0.08%	1,441	-0.01%	159	-0.03%	(5)	-0.01%	154		
11	Srei Mutual Fund Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-		
12	Srei Finance Limited	-0.01%	107	0.00%	4	0.00%	-	0.00%	4		
	Adjustment on disposal / cessation of Subsidiaries, Step - down Subsidiaries and Associate	0.00%	-	0.00%	-	0.00%	-	0.00%	-		
	<b>Non-Controlling Interests in all subsidiaries</b>	<b>0.00%</b>	<b>(37)</b>	<b>0.00%</b>	<b>5</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>5</b>	
	<b>Total</b>	<b>100.00%</b>	<b>17,02,011</b>	<b>100.00%</b>	<b>(11,10,899)</b>	<b>100.00%</b>	<b>14,722</b>	<b>100.00%</b>	<b>(10,96,177)</b>		

Note : Figures are after elimination of related party transactions between entities considered for consolidation.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## FORM AOC - 1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures under Section 129(3) read with rule 5 of the Companies (Accounts) Rules, 2014

### Part "A" : Subsidiaries

Names of Companies	(₹ In Lacs)										
	1	2	3	4	5	6	7	8	9	10	11
	Srei Capital Markets Ltd.	Trinity Alternatives Investment Managers Ltd.	Bengal Srei Infrastructure Development Ltd.	Controllia Electrotech Ltd.	Srei Mutual Fund Asset Management Pvt. Ltd.	Srei Mutual Fund Trust Pvt. Ltd.	Srei Insurance Broking Pvt Ltd.	Hyderabad Information Technology Ventures Enterprises Ltd.	Cyberabad Trustee Company Pvt. Ltd.	Srei Equipment Finance Limited	Srei Asset Leasing Limited
SI. No.	1	2	3	4	5	6	7	8	9	10	11
The date since when the subsidiary was acquired	26.12.1998	25.12.1997	25.09.2008	06.06.2008	27.11.2009	27.11.2009	31.03.2012	29.08.2007	29.08.2007	17.06.2016	31.03.2015
Reporting period	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange rate on last day of reporting year (In INR)											
Share Capital	505.00	25*	5.00	3.53	1,850.00	15.00	500.00	25*	5*	7,902	100.00
Reserves & Surplus	(165.08)	45.77*	(114.82)	(470.24)	(1,816.02)	(10.08)	939.59	16.8*	1.65*	(17,29,952)	6.78
Total Assets	354.60	4512.8*	12.67	2,001.86	34.39	7.16	1,532.06	47.14*	6.97*	15,24,300	106.93
Total Liabilities	354.60	4512.8*	12.67	2,001.86	34.39	7.16	1,532.06	47.14*	6.97*	15,24,300	106.93
Investments	224.45	2503.01*	4.32	68.60	21.82	-	1,015.73	*	*	63,740	96.91
Turnover	28.93	**	2.91	316.41	1.65	-	850.64	**	**	1,55,757	5.57
Profit / (Loss) before Tax	(44.60)	**	1.44	15.92	(1,224.42)	(0.98)	184.98	**	**	(11,21,928)	3.61
Provision for Taxation	(10.13)	**	0.02	1.00	-	-	44.33	**	**	-	-
Profit / (Loss) after Tax	(34.47)	**	1.42	14.92	(1,224.42)	(0.98)	140.65	**	**	(11,21,928)	3.61
Proposed Dividend	-	**	-	-	-	-	-	**	**	-	-
Extent of shareholding (effective) - in percentage	100%	51%	51%	100%	100%	100%	100%	26.01%	26.01%	100%	100%

#### Notes:

- Names of subsidiaries which are yet to commence operations : None
  - Names of subsidiaries which have been liquidated or sold during the current reporting year : None
  - Profit / (Loss) before Tax is shown after taking Exceptional items. Previous year Exceptional items - Nil
- \* Figures of assets and liabilities as per the Audited Financial Statements for the year ended 31st March, 2022 have been considered here. (Refer Note No. 62)  
 \*\* Refer Note No. 62

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

52. Information as required by Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is not applicable to Consolidated Financial Statements.

53. The audited consolidated financial statement of SIFL, its subsidiaries and trust together referred to as "the Group" for the year ended 31st March, 2023 have been taken on record by the Administrator on 16th May, 2023 while discharging the powers of the Board of Directors of the Company and SEFL which were conferred upon him by RBI press release dated 04th October, 2021 and subsequently, powers conferred upon him in accordance with Hon'ble NCLT order dated 08th October, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company and SEFL as going concern. Since the Administrator has taken charge of the affairs of the Company and SEFL on 04th October, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company or SEFL prior to his appointment and has relied on the position of the financial results of the Company and SEFL as they existed on 04th October, 2021. Regarding information pertaining to period prior to 04th October, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by the existing management team ('the existing officials of SIFL and SEFL'), who were / are also part of SIFL and SEFL prior to the appointment of the Administrator. As part of the CIRP, the Administrator has initiated audits / reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code. The Administrator of the Company received certain account wise transaction audit reports from the professional agency appointed as the transaction auditor indicating that in SEFL there are transactions amounting to ₹ 18,37,502 Lacs which are fraudulent in nature under Section 66 of the Code including transactions amounting to ₹ 1,22,962 Lacs determined as undervalued transactions. Accordingly, the Administrator has filed applications under Section 60(5) and Section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till 05th May, 2023 for adjudication. In addition to the above, basis the transaction audit reports from the professional agency appointed as the transaction auditor, the Administrator has filed an application under Section 60(5) and Section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on 18th November, 2022 for an amount of ₹ 84,787 Lacs, being the net shortfall in payments to SEFL's lenders who were assigned the Pool Loans as on 30th September, 2021 for adjudication.

In terms of paragraph 2 (b) of Annex to the guidelines DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 issued by RBI on Implementation of Indian Accounting Standards (Ind AS) for Non-Banking Finance Companies and Asset Reconstruction Companies, SEFL had created Impairment Reserve amounting to ₹ 5,24,931 Lacs on such accounts, wherever applicable in the earlier periods. Since no withdrawal from such reserve is permitted without the prior permission of RBI as per the notification / circular referred above, an amount of ₹ 9,29,163 Lacs has been provided towards loans loss provisioning and ₹ 78,493 Lacs have been provided towards loss on fair valuation and ₹ 7,938 Lacs towards impairment loss allowance on security deposits given for lease premises for the year ended 31st March, 2023 after considering the impact of impairment reserve as stated above and provisions made earlier, thereby making impairment to the extent of 100% of gross exposure, despite having some underlying securities as a matter of abundance prudence. If the loan loss provisioning would have been provided without considering the impairment reserve as mentioned above the loss before tax for the year ended 31st March, 2023 would have increased by ₹ 5,24,931 Lacs, and correspondingly impairment reserve ₹ 5,24,931 Lacs would have been transferred to retained earnings, thereby having no impact on shareholders' fund.

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

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

During the quarter ended 30th September, 2022, as a matter of prudence, SEFL had adopted a policy for the borrowers whose transactions with SEFL are determined as fraudulent, basis transaction audit reports, not to recognise the income on such accounts from the start of the quarter in which such transactions are reported as fraudulent by SEFL. Further, in case of transactions determined as fraudulent in previous periods prior to the adoption of this policy, no income is being recognised w.e.f. 1st July, 2022 in all such cases. Had the policy not changed, the interest income would have been higher by ₹ 59,237 Lacs for the year ended 31st March, 2023. Subsequently, the ECL provision would also have been higher by ₹ 59,237 Lacs for the year ended 31st March, 2023, resulting in no change in the loss for the year ended 31st March, 2023.

## 55. (i) Loan loss provisioning

SEFL on the basis of abundant prudence, has decided to make provision to the extent of interest income recognised during the respective quarter on Net Stage - III accounts. Accordingly, SEFL has made a total provision of ₹ 23,826 Lacs on such accounts for the year ended 31st March, 2023. This includes an additional provision of ₹ 7,631 Lacs as management overlay in the quarter ended 30th September, 2022. This has resulted in increase in Impairment on Financial Instruments (Net) by ₹ 23,826 Lacs and thereby increase in loss by ₹ 23,826 Lacs for the year ended 31st March, 2023. Based on the ECL policy, SEFL has made ECL provision aggregating to ₹ 9,92,254 Lacs for the year ended 31st March, 2023 which includes provision of ₹ 9,29,163 Lacs as stated in Note No. 53 above.

Further, in terms of paragraph 2 (b) of Annex to the guidelines DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 issued by RBI on Implementation of Ind AS for Non-Banking Finance Companies and Asset Reconstruction Companies, SEFL has also considered provision amounting to ₹ 43,708 Lacs for the year ended 31st March, 2023 under Income Recognition, Asset Classification and Provisioning Norms. Such provision is also over and above ECL provision as stated above and has been accounted as 'Impairment Reserve'. SEFL has revised the ECL model basis 31st March, 2022, audited financial statement as on 31st March, 2022 and given the effect of the same. In cases where the ECL provision basis such revised rate and the impairment reserve made in earlier periods was more than the gross exposure, SEFL made a lesser provision under the ECL, so as to restrict the net exposure at Nil, since no withdrawal from such impairment reserve is permitted. If the loan loss provisioning would have been provided without considering the impairment reserve as mentioned above, the loss before tax for the year ended 31st March, 2023 would have increased by ₹ 31,575 Lacs respectively, and correspondingly impairment reserve of ₹ 31,575 Lacs would have been transferred to retained earnings, thereby having no impact on shareholders' fund.

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

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

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

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 56. Non provisioning of Interest on

### a) Borrowings

Pursuant to admission under the CIRP, SEFL has not provided for interest amount of ₹ 4,66,134 Lacs for the year ended 31st March, 2023 and ₹ 1,99,970 Lacs for the year ended 31st March, 2022 on Borrowings since insolvency commencement date i.e. 8th October, 2021 in respect of SEFL's obligation for interest and principal amount for all the borrowings. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.

### b) Non-convertible Perpetual Bond

i. Considering the significant impact of COVID - 19 on business activity, the Company had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, the Company had not accrued interest of ₹ 3,300 Lacs for the year ended 31st March, 2022.

ii. Pursuant to the admission of the Company under the CIRP, SIFL has not provided for interest amount of ₹ 3,300 Lacs on Non-convertible Perpetual Bond for the year ended 31st March, 2023 in respect of SIFL's obligation for interest on Non-convertible Perpetual Bond. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.

Had the interest been accrued on borrowings, as aforesaid in (a) and (b) consolidated loss before tax for the year ended 31st March, 2023 would have resulted in a loss before tax of ₹ 15,80,292 Lacs.

## 57. Business Transfer Agreement and Scheme of Arrangement

During the year 2019-20, SIFL and SEFL entered into a Business Transfer Agreement ('BTA') to transfer the Lending Business, Interest Earning Business and Lease Business of the Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL pursuant to the BTA, subject to all necessary approvals. Accordingly, the Company and SEFL passed the relevant accounting entries in their respective books of account to reflect the slump exchange w.e.f. 01st October, 2019 while allotment of shares by SEFL was made on 31st December, 2019. The superseded Board of directors and erstwhile management of the Company, as existed prior to the appointment of the Administrator, had obtained external expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework.

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

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

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

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

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

An application of withdrawal was filed by the Administrator in this matter in Hon'ble NCLAT which has been allowed by NCLAT by an order dated 11th February, 2022. As stated in Note - 58 below, SIFL and SEFL are in the process of consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes as stated above. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained.

## 58. Consolidated Resolution under CIRP

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

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

The application in this matter was admitted and the final order received on 14th February, 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 18th January, 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 15th February, 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

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

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 18th February, 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.

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

CIRP has been initiated against SIFL and SEFL, as stated in Note No. 1(a) and accordingly, as per the Code, the Administrator has invited the financial / operational / other creditors to file their respective claims as on 08th October, 2021 (i.e. date of commencement of CIRP). As per the Code, the Administrator has to receive, collate and verify all the claims submitted by the creditors of SIFL and SEFL.

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

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

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

As per the requirements of RBI notification RBI/FED/2018-19/67 FED Master Direction No.5/2018-19 dated March 26, 2019 entities raising External Commercial Borrowings ('ECB') are required to mandatorily hedge 70 per cent of their ECB exposure in case the average maturity of ECB is less than 5 years, which SEFL complied on an ongoing basis till the nine months ended 31st December, 2020. Thereafter, SEFL was not able to meet the requirements of the aforesaid RBI notification due to procedural issues. SEFL was not able to make payment of the hedging premium /cost to the concerned banks for keeping the ECB exposures hedged, as aforesaid. Therefore, the concerned banks unwound the currency risk hedges, which resulted in ECB exposures amounting to ₹ 27,272 Lacs as per contractual terms being not hedged as on 31st March, 2023, in terms of the aforesaid RBI notification. SEFL has reported the above fact to RBI and reply from the same is still awaited.

## 61. Re-statement of CFS for the year ended 31.03.2022

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

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

As a result of this retrospective adjustment, Other Comprehensive Income / (loss) (net of income tax) has changed from ₹ (2,792) Lacs to ₹ (33,545) Lacs for the year ended 31st March, 2022. Other Equity has changed from ₹ (6,40,417) to ₹ (6,56,101) Lacs, Investments has changed from ₹ 1,92,062 Lacs to ₹ 1,52,504 Lacs and Deferred tax liabilities of ₹ 8,286 Lacs has changed to Deferred Tax Assets of ₹ 538 Lacs as on 31st March, 2022. Changes in other Balance Sheet items are immaterial.

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

## 63. Going Concern

The Group had reported net losses during the year ended 31st March, 2023 and earlier year / periods as well. Hence, the net worth of the Group has fully eroded. There is persistent severe strain on the working capital and operations of the Group and it is undergoing significant financial stress. As stated in Note No. 1(a), CIRP was initiated in respect of the SIFL and SEFL w.e.f. 08th October, 2021. The Holding Company have assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial results have been prepared on a going concern assumption basis as per below :

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

CIRP is undergoing and as per the process, the Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Prospective Resolution Applicants (PRAs) on 18th January, 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 15th February, 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 18th February, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

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

#### 64. Probable Connected / Related Companies

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

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

Further, in view of RBI directions, in line with arm's length principles, the erstwhile management of SEFL was in the process of re-assessing & re-negotiating terms and conditions with the aforesaid borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project while ensuring that the overall yield is maintained. However, the same was not concluded and meanwhile SIFL and SEFL went into CIRP.

The total gross exposure towards such borrowers in SEFL is ₹ 11,14,958 Lacs and ₹ 11,59,090 Lacs as on 31st March, 2023 and as on 31st March, 2022 respectively and the total exposure (net of impairment) towards such borrowers is ₹ 53,157 Lacs and ₹ 7,08,800 Lacs as on 31st March, 2023 and as on 31st March, 2022 respectively.

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

Out of Accounts referred by the RBI in the directions, the Administrator has received account wise transaction audit reports, which has identified certain transactions as fraudulent in nature under Section 66 of the Code, including undervalued transactions, the gross exposure of such borrower's in SEFL amounts to ₹ 10,45,251 Lacs and ₹ 10,82,356 Lacs as on 31st March, 2023 and as on 31st March, 2022 respectively and the total exposure (net of impairment) towards such borrowers is ₹ Nil and ₹ 6,47,681 Lacs as on 31st March, 2023 and as on 31st March, 2022 respectively. In respect of such accounts, the Administrator has filed applications under Section 60(5) and Section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till 05th May, 2023 for adjudication. Since, the entire loan portfolio was transferred by SIFL to SEFL under BTA (referred in note 3 above), the afore - mentioned transactions are appearing in the books of SEFL currently. SEFL has also made 100 % impairment on such accounts. The transaction audit has been completed and the necessary impact of the same have been incorporated in these consolidated financial statements.

The total exposure (net of impairment) towards such borrowers is ₹ 53,157 Lacs and ₹ 7,08,800 Lacs as on 31st March, 2023 and as on 31st March, 2022 respectively. The details of the same are as follows :

Categories	As at 31st March, 2023	As at 31st March, 2022
Borrowers who are Investee Companies of the Alternative Investment Fund (AIF)	47,868	3,42,329
Borrowers where investment is done by investee companies of AIF	5,289	2,50,807
Power Trust and its Investee Companies		79,253
Shristi and its Investee Companies	-	36,411
<b>Total</b>	<b>53,157</b>	<b>7,08,800</b>

₹ in Lacs

65. As on 31st March, 2021, SIFL and SEFL were having funds amounting to ₹ 576 Lacs in relation to the Corporate Social Responsibility ('CSR') which were unspent. These unspent amounts as per the requirements of Section 135 of the Act were to be transferred to funds specified under Schedule VII to the Act within a period of 6 months. However, the domestic lenders of SIFL and SEFL had stipulated TRA mechanism effective 24th November, 2020, pursuant to which all the payments being made by SIFL and SEFL were being approved / released based on the TRA mechanism. SIFL and SEFL are not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. SIFL and SEFL have written letters to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of SIFL and SEFL under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regard is still awaited.

66. As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the secured redeemable non-convertible debentures as on 31st March, 2023 are secured by first pari - passu charge by mortgage of immovable property(ies) at West Bengal / Tamil Nadu. SEFL had filed necessary e-forms for Debenture Trust Deed (DTD) novated from SIFL with ROC but the same have not been approved as stated in Note no. 67 (except for one ISIN wherein principal outstanding is ₹ 70 Lacs only, which was secured by immovable properties located at West



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Bengal and Delhi being in the books of Controlla Electrotech Private Limited and SIFL respectively for which necessary e-form post novation is not filed with ROC as stated in Note no. 67 and exclusive and / or specific charge on the specific & identified receivables of SEFL. Security cover available as on 31st March, 2023, net of provisions as per Ind AS norms excluding provisions made under IRACP is 42.81% of the principal and interest amount of its secured redeemable non-convertible debentures. SEFL has not been able to maintain the security cover as stated in the Information Memorandum / Debenture Trust Deeds etc. As stated in Note No. 55 above, as part of the ongoing CIRP process the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company & SEFL and assets / collateral held as securities as required under the provisions of the Code and such valuation reports have been submitted to the Consolidated CoC members.

67. As stated in Note No. 57, SEFL had acquired borrowings (including secured borrowings and NCDs) from SIFL and charges created with ROC in relation to such borrowings were to be transferred in the name of SEFL. In relation to the above, cases where the novation agreements are signed by the lenders / trustees pursuant to Slump Exchange Transaction between SIFL to SEFL, necessary e-forms w.r.t. charges have been filed by SEFL with the Registrar of Companies, Kolkata (ROC) except for one ISIN whereby principal outstanding is ₹ 70 Lacs only.

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

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

68. As per Section 125 of the Act, the Company and SEFL are required to transfer certain amount lying unpaid, for 7 years, to Investor Education Protection Fund ("IEPF"). Prior to the date of commencement of CIRP i.e. 08th October, 2021 (CIRP commencement date) an amount of ₹ 18,574/- in SEFL and post commencement of CIRP an amount of ₹ 12,60,435/- in SEFL pertaining to the interest on application money and ₹ 4,84,877/- by SIFL pertaining to unpaid dividend was transferable to IEPF in terms of Section 125 of the Companies Act, 2013 on different dates till the 31st March, 2023.

The Company and SEFL are unable to comply with the provision of Section 125 of the Act as they need to comply with the General Circular No. 08/2020 issued by the Ministry of Corporate Affairs (MCA) dated 06th 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. However, since the GNL - 2 form is not linked with IEPF -1 the Company is unable to generate SRN for payment to IEPF authorities. Due to said technical difficulty, the Company and SEFL could not comply with the provisions of Section 125 & other applicable provisions of the Act. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. Revert on the same is awaited.

69. The Company is unable to transfer 66,215 Equity shares pertaining to the Financial Year 2014-15, due for transfer to the Investor Education and Protection Fund in accordance with the applicable provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 because of inability of the Company to file GNL - 2 form due to technical reasons as stated in Note 18 above. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.

70. Based on the directions of RBI, during year ended 31st March, 2022, SEFL had made provision amounting to ₹ 9,807 Lacs and ₹ 4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. These amounts which have been provided for were appearing under 'Contingent Liabilities' earlier. Since, the provision, as aforesaid, has been done on the directions of RBI, SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'.

71. SEBI vide its Adjudication Order No. Order/DS/DK/ 2022-23 /20903 - 20964 dated October 31, 2022 ('Order'), in the matter of Religare Enterprises Limited had imposed a penalty of ₹ 35 Lacs on SIFL and ₹ 5 Lacs on SEFL payable within 45 days from the date of receipt of the Order. However, vide its Corrigendum to Order dated 30th November, 2022; SEBI has clarified that the said period of 45 days shall not be applicable in respect of SIFL and SEFL due to the CIRP proceedings pending against it. The said penalty is payable subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Diwan Housing Finance Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020). Hence, no provision has been made in the respective books of account of the companies.

72. Disclosures as required by RBI circular dated 06th August, 2020 'Resolution Framework for Covid -19 - related Stress' of SEFL are as below for the period ended 31st March, 2023 :

(₹ in lacs)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half - year (A)	Of (A), aggregate debt that slipped into NPA during the half - year	Of (A), amount written off during the half - year	Of (A), amount paid by the borrowers during the half - year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half - year
Personal Loans	-	-	-	-	-
Corporate persons*	8,056	5,467	-	847	2,002
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>8,056</b>	<b>5,467</b>	<b>-</b>	<b>847</b>	<b>2,002</b>

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

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

73. 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 05th May, 2021 and consequent to circular dated 06th August, 2020 on restructuring of advances to the MSME borrowers by SEFL :

(₹ in Lacs)

As at 31st March, 2023		As at 31st March, 2022	
No. of accounts restructured	Amount outstanding	No. of accounts restructured	Amount outstanding
128	1,062	130	1,285

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

(a) SEFL has not transferred or acquired any loans not in default during the year ended 31st March, 2023.

(b) SEFL has not transferred or acquired any stressed loan during the year ended 31st March, 2023.

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

(₹ in Lacs)

Recovery Ratings	Anticipated recovery as per recovery rating	As at 31st March, 2023	As at 31st March, 2022
RR1	100% - 150%	16,854.20	19,456.00
RR2	75% - 100%	19,125.00	35,583.00
RR5*	0% - 25%		

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

75. List of Creditors (including Financial, Operational, Workmen & Employees and Other Creditors) and Security Interest, as approved by RP, disclosed on Company Website for all claims received by the Company pursuant to public announcement made on 08th October, 2021 in accordance with Section 13 and 15 of Insolvency and Bankruptcy code, 2016 read with Regulation 6 of CIRP Regulations.

76. The Enforcement Directorate (ED) on 31st January, 2023 conducted simultaneous investigation on office premises of SIFL and SEFL. The Companies and their officials are co-operating and providing the required information / documents as available.

77. The Ministry of Corporate Affairs (MCA) vide its letter 18th April, 2023 has initiated inspection into the affairs of SIFL and SEFL and has sought information and documents under Section 206(5) of the Act. The Companies are in the process of providing necessary documents as required by MCA.

#### 78. Disclosure of Joint Controlled Operation as on 31st March, 2023.

During the year ended 31st March, 2017, SEFL had entered into agreements with PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidyut Limited ("SPVs"), respectively, for joint use and operation of certain assets in relation to Solar Power Generation project. These SPVs have already entered into a purchase power agreement (PPA) with Uttarakhand Power Corporation Limited (UPCL). Pursuant to the agreement, the revenue generated from the sale of power to UPCL will be shared among the Company and SPVs in the ratio of 80:20. Subsequently this revenue sharing ratio had been revised to 65:35 wef 01st October, 2018.

Accordingly, an amount of ₹ 1,928 Lacs (31st March, 2022 : ₹ 1,913 Lacs) has been recognized as "Income from joint controlled operation" under the head "Revenue from Operations". None of SEFL'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.

79. The non-controlling interest in the group's activities and cash flow's have not been furnished, since it is insignificant to the group.

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

**For D. K. Chhajer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 304138E

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

Place : Kolkata  
Date : 16th May, 2023

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

**Rajneesh Sharma**  
Administrator Appointed Under IBC

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

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

Email ID for Correspondence - sreadministrator@srei.com





**Srei Infrastructure Finance Limited**

CIN : L29219WB1985PLC055352

Registered Office:

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

[srei.com](http://srei.com)



## SREI INFRASTRUCTURE FINANCE LIMITED

CIN : L29219WB1985PLC055352

### Registered Office :

'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046  
Tel No. : 033 6602 2000/6639 4700, Toll Free : 18002667734  
Website : www.srei.com, Email : investor.relations@srei.com

### NOTICE OF THIRTY - EIGHTH (38TH) ANNUAL GENERAL MEETING

#### BACKGROUND :

The Reserve Bank of India (RBI) vide its 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) had superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL) with immediate effect, owing to the governance concerns and defaults by your Company in meeting various payment obligations. The RBI appointed Shri Rajneesh Sharma as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its press release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) members 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). As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is 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 also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the Administrator in fulfillment of his role and responsibilities. The members of the erstwhile Advisory Committee were Shri Venkat Nageswar Chalasani, Former Deputy Managing Director, State Bank of India, Shri T. T. Srinivasaraghavan, Former Managing Director, Sundaram Finance Limited and Shri V. Ramachandra, Former Chief General Manager, Canara Bank.

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 Applications 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, appointed Mr. Rajneesh Sharma as the Administrator of Srei Infrastructure Finance Limited directing him to carry out his functions as contemplated by Sections 15, 17, 18, 19 & 20 of the Code. The said order also directed commencement of Moratorium in terms of Section 14 of the Code in respect of Srei Infrastructure Finance Limited.

The Administrator has been appointed under Rule 5(a)(iii) of the FSP Rules under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Shri Rajneesh Sharma, who acts as an agent of the Company only and without any personal liability.

The members of the Committee of Creditors approved the resolution plan provided by National Asset Reconstruction Company Limited (NARCL) and the same was filed with the Reserve Bank of India (RBI) and National Company Law Tribunal (NCLT) for their approval. The NCLT vide its Order dated August 11, 2023 approved the Resolution Plan of the Company and revival of your Company has come into force with immediate effect.

In accordance with the terms of the Approved Resolution Plan, an Implementation and Monitoring Committee (IMC) had 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.

**NOTICE** is hereby given that the Thirty-eighth Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited will be held on **Saturday, September 30, 2023 at 3:00 P.M. (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses :

#### ORDINARY BUSINESS :

- To receive, consider and adopt -
  - The Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2023, and the Board's Report (Report of Implementation and Monitoring Committee) and Auditors thereon.
  - The Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2023, and the Report of the Auditors thereon.

- To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) and based on the recommendation of the Implementation and Monitoring Committee (IMC), approval of the Members of the Company be and is hereby accorded for appointment of S. K. Agarwal and Co. Chartered Accountants LLP, having Firm Registration No. 306033E/E300272 allotted by the Institute of Chartered Accountants of India (ICAI) as the Statutory Auditors of the Company, in place of the D. K. Chhajer & Co., Chartered Accountants, (Firm Registration No. 304138E), for a term of 1 (one) year, to hold office from the conclusion of the ensuing 38th Annual General Meeting (AGM) till the conclusion of the 39th Annual General Meeting (AGM), at an annual remuneration of ₹ 25,00,000/- (Rupees Twenty Five Lacs only) payable in one or more tranches, plus applicable taxes, and reimbursement of out-of-pocket expenses as may be incurred in connection with the audit of accounts of the Company, with the power of the IMC / Board / Audit Committee to alter and vary the terms and conditions of appointment, revision in the remuneration during the tenure of the Auditors, in such manner and to such extent as may be mutually agreed with the Statutory Auditors."

**For and on behalf of  
Srei Infrastructure Finance Limited**

**sd/-  
Manoj Kumar  
Company Secretary & Chief Financial Officer  
F6698**

Date : September 6, 2023  
Place : Kolkata

**NOTES :**

1. Pursuant to General circular nos. 10/2022 dated December 28, 2022, 2/2022 dated May 05, 2022, 19/2021 dated December 08, 2021 and other Circulars issued by the Ministry of Corporate Affairs ("MCA Circulars"), and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by the Securities and Exchange Board of India (SEBI), the 38th Annual General Meeting (AGM) of the Members of the Company shall be held through Video Conferencing (VC) or other Audio Visual Means (OAVM), which does not require physical presence of Members at a common venue, in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and aforesaid MCA Circulars. The deemed venue for the 38th AGM shall be the Registered Office of the Company.
2. The Company has engaged the services of KFin Technologies Limited (KFintech), Registrar and Share Transfer Agents of the Company to provide VC/OAVM facility for the 38th AGM.
3. The helpline number regarding any query / assistance for participation in the said AGM through VC/OAVM is 1800-309-4001 (toll free).
4. **Proxies :** Since the 38th AGM of the Company will be held through VC/OAVM, physical attendance of the Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility of appointment of proxies by the Members under Section 105 of the Act will not be available for the 38th AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

However, Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are entitled to appoint authorised representatives to attend the 38th AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

5. Members attending the 38th AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
6. **Instructions to the Members for attending the 38th AGM through Video Conferencing :**
  - i. **Attending the AGM :** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited (KFintech). Members may access the same at <https://emeetings.kfintech.com> and login by using the remote e-voting credentials and click on "video conference". The link for AGM will be available in 'members' login where the EVENT and the Name of the Company can be selected.
  - ii. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the other instructions provided in remote e-voting in Note No. 16 below.
  - iii. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and

will be closed on expiry of 15 (fifteen) minutes from the schedule time of the AGM. However, the participation of Members holding 2% (two per cent) or more shareholding of the Company, promoters, institutional investors, Key Managerial Personnel (KMPs), of the Company, Auditors etc. is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

- iv. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- v. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
- vi. Please note that Members using Mobile Devices or Tablets or Laptops and accessing the internet via "Mobile Hotspot" may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wifi or LAN connection to mitigate any kind of aforesaid glitches.
- vii. **Speaker Registration before 38th AGM :** Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during September 27, 2023 (9.00 a.m. IST) to September 29, 2023 (5.00 p.m. IST).

Those Members who have registered themselves as a Speaker will only be allowed to express their views / ask questions during the AGM relating to the business matters being transacted at the 38th AGM. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon the availability of time for smooth conduct of the AGM.

7. **Manner of updation of Email id :** Members holding shares in physical mode and who have not registered / updated their email IDs, are requested to register / update the same with the Company's Registrar & Share Transfer Agents, KFin Technologies Limited (KFintech) by obtaining ISR-1 through following link <https://ris.kfintech.com/clientservices/isc/default.aspx>. Alternatively, Members may send an email request along with signed scanned request letter mentioning their folio no. and the email ID that is to be registered along with the self-attested copy of the PAN card and self-attested copy of any document (i.e. Driving License, Passport, Aadhar card etc.) in support of the address of the Member to the Company's email ID [investor.relations@srei.com](mailto:investor.relations@srei.com) and/or to the email id of KFintech [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Members holding shares in dematerialized mode are requested to register / update their email IDs with the Depository Participant(s) with whom they maintain their demat account.
8. **Registrar & Share Transfer Agents and Depository Participant :** Members holding Shares in physical mode are requested to intimate changes in their address to KFin Technologies Limited, Registrar and Share Transfer Agents (RTA) of the Company located at Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad - 500 032. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

9. **Nomination Facility :** Members holding shares in the physical form and desirous of making / changing nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to obtain ISR - 1 through the link <https://ris.kfintech.com/clientservices/isc/default.aspx>. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.

10. **IEPF related Information :**

- I. **Unclaimed Dividend and Shares :** As mentioned above the Company is under CIRP, hence, it has to adhere to the General Circular No. 08/ 2020 issued by the Ministry of Corporate Affairs (MCA) dated 6th March, 2020 which requires the Company to file all the documents with the Registrar through GNL-2 till the company remains under CIRP.

Further, as Section 124(5) of the Companies Act, 2013, the amount lying in the Unpaid Dividend Account of the Company which is unpaid or unclaimed for a period of seven years from the date of transfer along with interest accrued, if any, thereon is mandated to be transferred to the Fund established under sub-section (1) of section 125.

Accordingly, the Company was required to file eform IEPF-1, IEPF-2 and IEPF-4, to initiate the transfer of Rs. 4,84,877/- and the underlying shares pertaining to the Financial Year ended 2014-15 in the Financial Year 2021-22. Further, pursuant to the terms of the abovementioned Circular the Company could only file the eform IEPF-1, IEPF-2 and IEPF-4 as an attachment to the eform GNL-2.

In view of the above technical reasons, the Company could not transfer the unpaid/unclaimed dividend and the underlying shares. However, as an abundant precaution the Company has communicated the above issues to the IEPF authority and has complied with the aforesaid Circular.

The details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in). The Company shall endure to comply with the provisions of Section 124 of the Companies Act, 2013 w.r.t. to transfer dividends for the financial year ended March 31, 2015, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account.

Members who have not en-cashed the dividend warrant(s), so far for the financial year ended March 31, 2015, or any subsequent financial years are requested to make their claim to the Company at its Registered Office.

Further, shares in respect of which dividend will remain unclaimed progressively for 7 (seven) consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, adhering to the various requirements set out in the IEPF Rules.

It may please be noted that once the unclaimed dividend and shares are transferred to IEPF, as above, no claims shall lie against the Company. However, claim can be made from IEPF Authority by making an application in Form no. IEPF-5 which is available at [www.iepf.gov.in](http://www.iepf.gov.in) in accordance with the IEPF Rules.

As per Rule 5 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), information containing the names and the last known addresses of the persons entitled to receive the sums lying in the account referred to in Section 125 (2) of the Act, nature of the amount, the amount to which each person is entitled, due date for transfer to IEPF, etc. is provided by the Company on its website at the link <https://www.srei.com/shareholding-ownership> and on the website of the IEPF Authority. The concerned Members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Company's Registrar and Share Transfer Agent, before the unclaimed dividends are transferred to the IEPF. The Company has in this regard also sent a communication to all the Members whose dividends have remained un-encashed, with a request to send the requisite documents to the Company's Registrar and Share Transfer Agent for claiming the unencashed dividends.

The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2023, March 31, 2022 and March 31, 2021 are uploaded on the website of the Company [www.srei.com](http://www.srei.com).

11. **Dematerialisation of Shareholding :** Pursuant to the proviso to Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per the amendment on January 24, 2022, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.
12. **Consolidation of Multiple Folios :** Members who hold Shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, KFin Technologies Limited, enclosing their Share Certificates to enable the Company to consolidate their holdings into a single folio.
13. **New Certificates :** Members who have not yet surrendered their old Share Certificate(s) for exchange with new Certificate(s) bearing hologram, logo and barcoding are requested to surrender the same to the Company's Registrar and Share Transfer Agents, KFin Technologies Limited.
14. **Mandatory PAN Submission :** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, KFin Technologies Limited.
15. **Inspection by Members :** All relevant documents referred to in the Notice of the Companies Act, 2013 are available electronically for

inspection without any fee by the Members from the date of circulation of this Notice upto the date of the 38th AGM. Members seeking to inspect such documents can send an email to investor.relations@srei.com.

The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the 38th AGM.

Members desirous of obtaining any relevant information with regard to the accounts of the Company or any other matter placed at the Meeting are requested to send their requests in writing at investor.relations@srei.com to the Company at least 7 (seven) days before the 38th AGM, so as to enable the Company to keep the information ready.

**16. Voting through electronic means (Electronic Voting) :**

Members may cast their votes remotely, using an electronic voting system during the remote e-voting period. In addition, the facility for voting through electronic voting system shall also be made available during the 38th AGM. Members attending the 38th AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM.

- I. **Remote e-voting** : In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions

of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin Technologies Limited (KFinTech) on all resolutions set forth in this Notice.

The Procedure and instructions for remote e-voting facility are as follows :

**A. Information and instructions for remote e-voting by an individual shareholder, holding shares in electronic / demat mode**

Pursuant to SEBI Circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/ 242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. Members are advised to update their mobile number and email Id with their Depositories in order to access e-voting facility.

**The procedure to login and access the remote e-voting, as devised by the Depositories / Depository Participant(s) is given below :**

Type of shareholders	Login method
Individual shareholders holding shares in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. <b>User already registered for IDeAS facility :</b> <ol style="list-style-type: none"> <li>i) Visit URL : <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>iii) On the new page, enter existing User ID and Password. Post successful authentication, click on “Access to e-Voting”.</li> <li>iv) Click on company name or e-voting service provider (i.e. KFinTech) and you will be re-directed to KFinTech e-voting website for casting the vote during the remote e-voting period.</li> </ol> </li> <li>2. <b>User not registered for IDeAS e-Services :</b> <ol style="list-style-type: none"> <li>i) To register click on link : <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>ii) Select “Register Online for IDeAS”) or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>iii) Proceed with completing the required fields.</li> <li>iv) Post registration is completed, follow the process as stated in point no.1 above.</li> </ol> </li> <li>3. <b>First time users can visit the e-voting website directly and follow the process below :</b> <ol style="list-style-type: none"> <li>i) URL : <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>ii) Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>iii) A new screen will open. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> </ol> </li> </ol>



	<ul style="list-style-type: none"> <li>iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.</li> <li>v) Click on company name or e-voting service provider name (i.e. KFintech) and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.</li> </ul>
<b>Individual shareholders holding securities in demat mode with CDSL</b>	<p><b>1. Existing user who have opted for Easi / Easiest :</b></p> <ul style="list-style-type: none"> <li>i) Visit URL : <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL : <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii) Click on New System Myeasi.</li> <li>iii) Login with user id and password.</li> <li>iv) Option will be made available to reach e-voting page without any further authentication.</li> <li>v) Click on e-voting service provider name (i.e. KFintech) to cast your vote.</li> </ul> <p><b>2. User not registered for Easi / Easiest :</b></p> <ul style="list-style-type: none"> <li>i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>ii) Proceed with completing the required fields.</li> <li>iii) Post registration is completed, follow the process as stated in point no.1 above.</li> </ul> <p><b>3. First time users can visit the e-Voting website directly and follow the process below :</b></p> <ul style="list-style-type: none"> <li>i) Visit URL : <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii) Provide demat Account Number and PAN No.</li> <li>iii) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>iv) After successful authentication, user will be provided links for the respective ESP i.e. KFintech where the e-voting is in progress.</li> <li>v) Click on company name and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.</li> </ul>
<b>Individual shareholders (holding securities in demat mode) logging in through their depository participants</b>	<ul style="list-style-type: none"> <li>1. Individual Shareholders (holding securities in demat mode) can access e-voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL / CDSL for e-voting facility.</li> <li>2. Once logged in, you will be able to see e-voting option. Click on e-voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication wherein you can see e-voting feature.</li> <li>3. Click on Company name or e-voting service provider name (i.e. KFintech) and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.</li> </ul>

**Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available on the websites of Depositories / Depository Participants.**

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off

date may follow steps mentioned above under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode".

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL :

<b>Members facing any technical issue – NSDL website</b>	<b>Members facing any technical issue – CDSL website</b>
Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. : 1800 1020 990 and 1800 22 44 30	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B. Information and instructions for remote e-voting by shareholders other than individual shareholders, holding shares in electronic / demat mode and all shareholders holding shares in physical mode**

(A) In case a Member receives an email from KFintech [for Members whose email IDs are registered with the Company/Depositories] :

- i. Visit the voting website of KFintech by opening your web browser and typing the URL <https://evoting.kfintech.com>.
- ii. Once the homepage of the voting system is launched, enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Srei Infrastructure Finance Limited'.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email [sachinpilania22@gmail.com](mailto:sachinpilania22@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). The scanned image of the above mentioned documents should be in the naming format "Srei Infrastructure Finance Limited 38th AGM".

(B) In case of Members who have not registered / updated their email IDs (including Members holding shares in physical form) :

- i. Please follow the steps for registration / updation of email ID and obtaining User ID and Password for e-voting as mentioned in para 9 of the 'Notes' and para (e) under the 'Other Instructions' section below. After due verification, KFintech will forward your login credentials to your registered email address.
- ii. Please follow all steps from Sl. No. (i) to (xii) above mentioned in I(A) to cast your vote by electronic means.

**II. Voting during 38th AGM :**

- i. The Members, who will be attending the 38th AGM through VC/OAVM and who have not cast their vote through Remote e-voting can exercise their voting rights at the said AGM.
- ii. The facility for voting through electronic voting system ('Insta Poll') shall be made available during the Meeting through e-voting system provided by KFin Technologies Limited in the Video Conferencing Platform.
- iii. The 'Vote Now Thumb sign' on the left hand corner of the video screen shall be activated upon instructions of the Chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- iv. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.
- v. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting through VC/OAVM; however those Members are not entitled to cast their vote again during the Meeting.
- vi. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting during the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote during the AGM shall be treated as invalid.
- vii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through E-voting on the email id [sachinpilania22@gmail.com](mailto:sachinpilania22@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).

**Other Instructions :**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Ms. Rajitha.C, Deputy Vice President (Unit : Srei Infrastructure Finance Limited) of KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 or at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or KFintech's toll free No. 1800-309-4001 for any further clarifications.
- b. Members are requested to update their mobile numbers and email IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.
- c. The remote e-voting period commences on September 27, 2023 (9.00 a.m. IST) and ends on September 29, 2023 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2023 may cast their votes electronically through remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. September 22, 2023.
- e. Any non-individual shareholder, who acquires shares of the Company and becomes a Member of the Company after sending of AGM Notice and holding shares as on the cut-off date for e-voting i.e., September 22, 2023, he/she may obtain the User ID and Password in the manner as mentioned below :
  - i. If the mobile number of the Member is registered against Folio No./ DP ID and Client ID, the Member may send SMS : **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID and Client ID to 9212993399  
  
Example for NSDL :  
  
MYEPWD <SPACE> IN12345612345678  
  
Example for CDSL :  
  
MYEPWD <SPACE> 1402345612345678  
  
Example for Physical :  
  
MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the Member is not registered against Folio No. / DP ID and Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a password.
  - iii. Member may call KFintech's toll free number 1800-309-4001.
  - iv. Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com).

KFintech shall endeavour to send User ID and Password to those new Members whose mail ids are available.

17. **Scrutiniser** : The Company has appointed Mr. Sachin Kumar, Company Secretary, Kolkata (CP No. 14151) as Scrutiniser for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

18. **Declaration of Results** : The Scrutiniser shall after the conclusion of voting at the Meeting count the votes cast at the meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman of the Meeting or person authorized by the Chairman for counter signature.

The Results shall be declared either by the Chairman of the Meeting or by any person authorized by the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the Voting results in the prescribed format within 48 hours of conclusion of the Annual General Meeting (AGM). The results shall also be uploaded on the Digital Exchange Platform (NSE's digital platform) and BSE Listing Centre. Immediately after declaration of results, the same shall be placed along with the Scrutiniser's Report on the Company's website [www.srei.com](http://www.srei.com) and on the website of KFin Technologies Limited <https://evoting.kfintech.com> and communicated to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed for placing the same on their website. The results shall also be placed on the notice board of the Company at its Registered Office as well as Corporate Office.

19. A copy of Audited Financial Statements of the Company for the financial year ended on March 31, 2023 together with the Board's Report (Report of the Implementation and Monitoring Committee chaired by the Administrator) and Report of the Statutory Auditors thereon is enclosed herewith.

20. **Route Map** : Since the AGM is being held through VC/OAVM, Route Map is not annexed to this Notice.

**For and on behalf of  
Srei Infrastructure Finance Limited**

**sd/-  
Manoj Kumar  
Company Secretary & Chief Financial Officer  
F6698**

Date : September 6, 2023

Place : Kolkata



**SREI INFRASTRUCTURE FINANCE LIMITED**

CIN : L29219WB1985PLC055352

***Registered Office :***

'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046  
Tel No. : 033 6602 2000/6639 4700, Toll Free : 18002667734  
Website : [www.srei.com](http://www.srei.com), Email : [investor.relations@srei.com](mailto:investor.relations@srei.com)