



**SIFL/SECT/FA/21-22/117**

February 14, 2022

The Secretary  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001  
Fax: 022-2272 2037/2039/2041/3121  
**BSE Scrip Code: 523756**

The Secretary  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, Plot no. C/1  
G Block, Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051  
Fax: 022-2659 8237/38; 2659 8347/48  
**NSE Symbol: SREINFRA**

Dear Sir,

**Sub: Submission of the Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and Nine Months ended on 31st December, 2021**

The Company has already intimated the Exchanges that the Reserve Bank of India ("RBI") has superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL) and Srei Equipment Finance Limited (SEFL) (a wholly owned subsidiary of Srei Infrastructure Finance Limited) (collectively "**Companies**") on 4th October, 2021 and appointed Mr. Rajneesh Sharma as the Administrator of the Companies in terms of Section 45-IE of the Reserve Bank of India Act, 1934 ("RBI Act") and accordingly the powers of the Board are vested in the Administrator. The RBI, in exercise of powers conferred under section 45-IE 5(a) of the RBI Act, had constituted a three member Advisory Committee to assist the Administrator of the Company in discharge of his duties. Further, pursuant to orders dated October 08, 2021 of the National Company Law Tribunal, Kolkata Bench ("**NCLT**"), Corporate Insolvency Resolution Process ("**CIRP**") has been initiated against the Companies as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("**Code**").

Pursuant to the above we wish to inform you that the Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held today i.e. on 14th February, 2022, which commenced at 2:00 P.M. and concluded at 9:40 P.M., have inter-alia, considered and taken on record the Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and Nine Months ended on 31st December, 2021 along with notes thereto and the Limited Review Report thereon furnished by the Statutory Auditors of the Company, as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws.

A copy of the Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and Nine Months ended on 31st December, 2021 together with a copy of the Auditors' Limited Review Report thereon is enclosed for your information.

We are also arranging to upload the aforesaid Financial Results on the Company's website [www.srei.com](http://www.srei.com) and publish the Consolidated Financial Results in the newspapers in the format prescribed under Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Srei Infrastructure Finance Limited**

CIN: L29219WB1985PLC055352

(A Company under Corporate Insolvency Resolution Process vide NCLT (Kolkata) Order dated October 08, 2021)

Registered Office: 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700046

Tel.: +91.33.22850112-15, 61607734, Fax: +91.33.2285 7542/8501

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





This is for your information and record.

Thanking you.

Yours faithfully,

For **Srei Infrastructure Finance Limited**



**Manoj Kumar**  
**Company Secretary and Chief Financial Officer**  
**FCS 6698**

Encl.: a/a

## **Srei Infrastructure Finance Limited**

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Tel.: +91.33.22850112-15, 61607734, Fax: +91.33.2285 7542/8501

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

**Independent Auditor's Review Report on quarterly and year to date Unaudited Standalone Financial Results of Srei Infrastructure Finance Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To The Administrator**

**Srei Infrastructure Finance Limited**

1. We were engaged to review the accompanying Statement of Unaudited Standalone Financial Results of Srei Infrastructure Finance Limited ("the Company") for the quarter ended December 31, 2021 and for the year to date from April 1, 2021 to December 31, 2021 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Reserve Bank of India ('RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45-IE (5) (a) of the RBI Act, has constituted a three-member Committee of Advisors for advising the Administrator.

The RBI had also filed application for initiation of Corporate Insolvency Resolution Process ('CIRP') against the Company under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application made by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions of Resolution Professional as per the Code and that the management of the Company shall vest in the Administrator. Further, NCLT has also retained the three-member Committee of Advisors, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

3. We refer to Note No. 2 to the Statement with regards to which states that the Statement has been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI and subsequently by the Hon'ble NCLT vide its order dated October 8, 2021.





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

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

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

#### 5. Basis for Disclaimer of Conclusion

- (a) Note No. 2 to the Statement which explains that the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code. Hence, the Statement is subject to outcome of such audits/reviews. Pending the outcome of the Transaction Audit, we are unable to comment on the impact, if any of the same on the Statement. The note explains that latest valuations from independent valuers in respect of assets/collaterals held as securities is in progress. Hence, pending completion of the process, we are unable to comment on the impact, if any of the same on the Statement. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the 'existing management team of the Company', who were also part of the Company prior to the CIRP.
- (b) Note No. 4 to the Statement which explains that during the financial year 2019-20, the Company accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement (BTA) with SEFL, with effect from October 1, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of the Company obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. The Note further explains that during the financial year 2020-2021, the Company had filed two separate applications under Section 230 of the Companies Act, 2013 before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Scheme were pending before NCLT/NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. Both the schemes of arrangement were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in this matter which has been allowed by the Tribunal vide order dated February 11, 2022.



As stated in the said Note, the Company is in the process of evaluating the impact of the order dated February 11, 2022 on validity of BTA or otherwise and is also taking legal opinion in the matter and outcome of the same will be given effect to, as appropriate. Hence, with regards to the uncertainties that exists in the matter of BTA, we are unable to comment on the accounting of BTA, as aforesaid, done by the Company and accordingly on the impact of the same, if any, on the Statement,

- (c) Note No. 6 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on October 8, 2021, received by the Administrator till February 4, 2022 is in the process of being verified/updated from time to time as and when the claims are admitted and accordingly the figures of claims admitted and accounted in the books of accounts might undergo changes during CIRP. Hence, adjustments, if any, arising out of the claim verification and submission process, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Statement.
- (d) Note No. 9 to the Statement 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 direction since these pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator has appointed professionals and has initiated a transaction audit/review relating to the process and compliance of the Company as per section 43, 45, 50 and 66 of the Code, which is in process. We are unable to comment on the impact of the same, if any, on the Statement.
- (e) Note No. 11 to the Statement which explains the reasons owing to which the Company was not able to comply with the requirements of Section 135 of the Companies Act, 2013 in relation to depositing unspent amount of CSR. As stated, in the said note, the Company has written to MCA seeking exemption from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Companies Act, 2013. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.
- (f) In view of the possible effects of the matters described in paragraph 5(a) to 5(e) above, we are unable to comment on the Company's compliance on various regulatory ratios/limits and consequential implications including disclosures, if any.





## 6. Disclaimer of Conclusion

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

We had also issued a Disclaimer of Conclusion Report basis the observations forming part of the report for the quarter and six months ended September 30, 2021.

## 7. Material uncertainty related to Going Concern

We draw attention to Note No. 8 to the Statement which states that the Company has been admitted to CIRP and also indicates the factors that have further resulted into net loss during the previous quarters/year. As a result, the Company's net worth has substantially eroded as at that date and it has not been able to comply with various regulatory ratios/limits. All this have impacted the Company's ability to continue its operations in normal course in future. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Company's ability to continue as a 'going concern' in foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Statement on a going concern basis.

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

- a) Note No. 3 to the Statement which explains the extent to which Covid-19 pandemic has impacted the operations of the Company, owing to which and based on the information available at this point of time, the extent to which the pandemic may further impact the operations and financial results of the Company is dependent on future developments, which are highly uncertain at this point of time. 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 has not accrued interest of Rs.1718 lakh upto October 8, 2021. Pursuant to the admission of the company under the CIRP, SIFL has not provided for interest amount of Rs 768 Lakh on Perpetual Bond since insolvency commencement date i.e. October 8, 2021, in respect of SIFL's obligation for interest on 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 are accrued and payable after this date.
- b) Note No. 5 to the Statement which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and its 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 the Company and SEFL. The application in the matter is admitted and the final order is awaited.



- c) Note No. 10 to the Statement which states that The Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated investigation into the affairs of the Company under Section 206(5) of the Companies Act, 2013. The Company is fully co-operating with the investigating agency.

Our conclusion is not modified in respect of these matters.

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

*N. Maheshwari*  
**Neha Maheshwari**  
*Partner*  
Membership No.: 308616  
UDIN: 22308616ACG1MTF1107

**Place:** Kolkata

**Date :** February 14, 2022



**SREI INFRASTRUCTURE FINANCE LIMITED**

Regd Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046, Website: www.srei.com, Email for Investors: investor.relations@srei.com  
(CIN): L29219WB1985PLC055352

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2021**

		(Rs. in Lakhs)					
	Particulars	31-Dec-21 (Unaudited)	Quarter ended 30-Sep-21 (Unaudited)	31-Dec-20 (Unaudited)	Nine Months ended 31-Dec-21 (Unaudited)	31-Dec-20 (Unaudited)	Year ended 31-Mar-21 (Audited)
	<b>Revenue from Operations</b>						
	Interest Income	3	-	5	9	23	28
	Rental Income	106	103	356	302	1,063	1,391
	Fees and Commission Income	531	796	416	1,752	1,936	2,494
	Net gain on fair value changes	-	-	1	-	1	-
	Net gain on derecognition of financial instruments under fair value through profit or loss	-	-	1	-	3	3
	Net gain on derecognition of financial instruments	-	-	(1,500)	-	274	274
(I)	<b>Total Revenue from Operations</b>	<b>640</b>	<b>899</b>	<b>(721)</b>	<b>2,063</b>	<b>3,300</b>	<b>4,190</b>
(II)	Other Income	292	152	233	446	241	811
(III)	<b>Total Income (I+II)</b>	<b>932</b>	<b>1,051</b>	<b>(488)</b>	<b>2,509</b>	<b>3,541</b>	<b>5,001</b>
	<b>Expenses</b>						
	Finance Costs	47	57	824	158	2,633	3,282
	Fees and Commission Expense	373	702	201	1,323	777	1,178
	Impairment on Financial Instruments (Net)	115	115	1,196	316	1,103	1,472
	Employee Benefits Expenses	120	118	269	413	530	813
	Depreciation, Amortisation and Impairment	185	184	192	554	580	773
	Administrative and Other Expenses	221	296	215	755	657	1,000
(IV)	<b>Total Expenses (IV)</b>	<b>1,061</b>	<b>1,472</b>	<b>2,897</b>	<b>3,519</b>	<b>6,280</b>	<b>8,518</b>
(V)	Profit / (Loss) Before Exception Items and Tax (III-IV)	(129)	(421)	(3,385)	(1,010)	(2,739)	(3,517)
(VI)	Exceptional Items	-	-	-	-	-	310,455
(VII)	Profit / (Loss) Before Tax (V - VI)	(129)	(421)	(3,385)	(1,010)	(2,739)	(313,972)
(VIII)	Tax Expense						
	(a) Current Tax	-	-	-	-	-	-
	(b) Income Tax in respect of earlier year	-	(1,844)	-	(1,844)	-	(54)
	(c) Deferred Tax	-	-	(375)	-	(140)	(19,446)
(IX)	Profit / (Loss) after tax (VII-VIII)	(129)	1,423	(3,010)	834	(2,599)	(294,472)
(X)	<b>Other Comprehensive Income/ (Expense)</b>						
	Items that will not be reclassified to Profit or Loss						
	- Remeasurement Gains/ (Losses) on Defined Benefit Plan	6	9	-	22	(21)	29
	- Gains/ (Losses) on Equity Instruments through Other Comprehensive Income	6,900	(10,552)	2,809	25,732	4,987	17,627
	- Tax related to above	-	-	(648)	-	(1,093)	(3,729)
	<b>Total Other Comprehensive Income/ (Expense) (X)</b>	<b>6,906</b>	<b>(10,543)</b>	<b>2,161</b>	<b>25,754</b>	<b>3,873</b>	<b>13,927</b>
(XI)	<b>Total Comprehensive Income/ (Expense) for the period (IX+X)</b>	<b>6,777</b>	<b>(9,120)</b>	<b>(849)</b>	<b>26,588</b>	<b>1,274</b>	<b>(280,545)</b>
	Paid-up Equity Share Capital (Par Value Rs. 10/- per Equity Share)	50,309	50,309	50,309	50,309	50,309	50,309
	Other Equity excluding Revaluation Reserves	-	-	-	-	-	(46,587)
	<b>Earnings per Equity share (Basic and Diluted) (in Rs.) (*Not annualised)</b> <b>(Par Value Rs. 10/- per Equity Share)</b>	<b>*(0.02)</b>	<b>*0.28</b>	<b>*(0.60)</b>	<b>*0.17</b>	<b>*(0.52)</b>	<b>(58.53)</b>

**For 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

Place: Kolkata  
Date: February 14, 2022

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.  
Address for Correspondence - Vishwakarma 86C, Topsia Road (South), Kolkata, West Bengal, 700046  
Email ID for Correspondence: sreiaadministrator@srei.com







## Notes:

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

The Reserve Bank of India ('RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45-IE (5) (a) of the RBI Act, constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

Thereafter RBI filed applications for initiation of Corporate Insolvency Resolution Process ('CIRP') against the Company under section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application made by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions of Resolution Professional as per the Code and that the management of the Company shall vest in the Administrator. NCLT also retained the three-member Advisory Committee, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

2. The above unaudited financial results of the Company for the quarter and nine months ended December 31, 2021 have been taken on record by the Administrator, in the meeting held on February 14, 2022, while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI press release dated October 4, 2021 and subsequently, powers conferred upon him in accordance with NCLT Order dated October 8, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company as a going concern.

As a part of the CIRP, the Administrator has initiated audits/review relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. As such, these financial results are subject to outcome of such audits/reviews. Since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial statements of the Company as they existed on October 4, 2021.

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 and assets collateral held as securities as required under the provisions of the Code. Accordingly, the financial results are subject to the outcome of such valuation process.

Regarding information pertaining to period prior to October 4, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by





made by the existing company management team ('the existing officials of the Company'), who were part of the Company prior to CIRP.

These unaudited financial results have been subjected to Limited Review by the statutory auditors of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

### 3. Impact of Covid-19 pandemic

The outbreak of Covid-19 pandemic and its second wave followed by lockdown extended from time to time across India which caused adverse impact due to slowdown in economic activities during the previous year, has continued even thereafter.

There is still uncertainty around Covid-19 pandemic and the extent to which the pandemic may further impact the operations, financial results of the Company and asset quality will depend on future developments, which are still unascertainable at this point of time.

#### Interest on Non-convertible Perpetual Bond

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 has not accrued interest of Rs.1718 lakh upto October 8, 2021.

Pursuant to the admission of the company under the CIRP, SIFL has not provided for interest amount of Rs 768 Lakh on Perpetual Bond since insolvency commencement date i.e. October 8, 2021, in respect of SIFL's obligation for interest on 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 are accrued and payable after this date.

### 4. Business Transfer Agreement

During the year 2019-20, the Company and its Subsidiary company, Srei Equipment Finance Limited (SEFL) entered into an agreement ('Business Transfer Agreement') to transfer the Lending Business, Interest Earning Business & Lease Business of the Company together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL pursuant to the Business Transfer Agreement, 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. October 1, 2019 while allotment of shares by SEFL was made on December 31, 2019. The superseded board of directors and erstwhile management of the Company, as existed prior to the Appointment of the Administrator, had obtained external expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework.

During the year 2020-2021, the Company had filed two separate applications under Sec. 230 of the Companies Act, 2013 ('the Act') before the Hon'ble NCLT (CA 1106/KB/2020 and CA 1492/KB/2020 at the Hon'ble NCLT Kolkata) proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). Business Transfer Agreement, constituted an integral part of the Schemes.





The first scheme (i.e. CA 1106/KB/2020) sought for amongst other things "formal consent to be obtained from the required majority of the creditors of SEFL to the completed acquisition by way of slump exchange of the Transferred Undertaking from SIFL in terms of the BTA and consequential formal novation of the loans and securities already forming part of SEFL liabilities and outstanding to the creditor." (as set out in the Scheme filed CA 1106/KB/2020)

The second scheme (i.e. CA 1492/KB/2020) sought for amongst other things restructuring of the debt due to certain creditors of the Company including secured debenture holders, unsecured debenture holders, perpetual debt instrument holders, secured ECB lenders and unsecured ECB lenders and individual debenture holders.

Pursuant to the directions of Hon'ble NCLT vide order dated October 21, 2020, the superseded board of directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. The final order/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 21/10/2020 and 30/12/2020 respectively). Further, certain appeals were filed by rating agencies in the matter relating to the second scheme of arrangement (i.e. CA 1492/KB/2020). An application of withdrawal was filed by the Administrator in this matter in NCLAT which has been allowed by NCLAT by an order dated February 11, 2022. The Company is in the process of evaluating the impact of the said order on validity of BTA or otherwise and is also taking legal opinion in the matter and the outcome of the same will be given effect to as appropriate.

In accordance with the obligations imposed on the Administrator under Section 18(f) of the Code, the Administrator has taken custody and control of the Company with the financial position as recorded in the balance sheet as on insolvency commencement date on an 'as-is where-is' basis. The accounts for the quarter and nine months ended December 31, 2021 have been taken on record by the Administrator in the manner and form in which it existed on the insolvency commencement date in view of the initiation of the CIRP. Further, in line with the provisions of Section 14 of the Code, the Company cannot alienate any of the assets appearing on the insolvency commencement date.

## **5. Consolidated Resolution under CIRP**

In view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and its Subsidiary Company (SEFL), the Administrator, after adopting proper procedure, has filed applications before the Hon'ble National Company Law Tribunal- Kolkata Bench (Hon'ble NCLT) in the insolvency resolution processed of SIFL and SEFL (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021) seeking the following prayers:

- Directing the consolidation of the corporate insolvency resolution processes of SIFL and SEFL
- Directing formation of a consolidated committee of creditors for the consolidated corporate insolvency resolution processes of SIFL and SEFL;
- Directing and permitting the conduct of the corporate insolvency resolution processes for SIFL and SEFL in terms of the provisions of the Code in a consolidated manner including investigation 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;

- 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 is admitted and the final order is awaited.

#### **6. Payment to lenders/others and claims under CIRP**

CIRP has been initiated against the Company, as stated in Note No. 1 and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8, 2021 (i.e. date of commencement of CIRP). As per the Code, the Administrator has to receive, collate and verify all the claims submitted by the creditors of the Company. The claims as on October 8, 2021, so received by the Administrator till 4th February 2022, is in the process of being verified/updated from time to time and wherever, the claims are admitted.

#### **7. Trust and Retention Account (TRA)**

As domestic lenders of the Company & SEFL stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company are being approved/released based on approval in the TRA mechanism. The Company has not paid interest of Rs. 1452 Lakh w.r.t. ICDs from SEFL for pre CIRP period till October 8, 2021) nor collected rent of Rs.703 Lakh for the nine month ended 31<sup>st</sup> December, 2021 (including Rs.234 lakh for quarter ended December 31, 2021). The Audit Committee of SIFL and SEFL in their meeting dated August 14, 2021 and August 11, 2021 respectively approved waiver of aforesaid rent and interest between SIFL and SEFL.

Pursuant to the admission of the company under the CIRP, SIFL has not provided for interest amount of Rs 597 Lakh on Borrowings since insolvency commencement date i.e. October 8, 2021, 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 are accrued and payable after this date.

#### **8. Going Concern**

The Company had reported losses during previous quarters/years. Hence, the net worth of the Company has substantially eroded.

There is strain on the working capital and operations of the Company and its undergoing significant financial stress. As stated in Note No. 1, CIRP was initiated in respect of the Company w.e.f October 8, 2021. The Company has assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial results have been prepared on a going concern assumption basis as per below:

- a) The Code requires the Administrator to, among other things, run the Company as a going concern during CIRP.
- b) The Administrator, in consultation with the Committee of Creditors ('CoC') of the Company, in accordance with the provisions of the IBC, is making all endeavors to run the Company as a going concern. Considering the future business outlook and with time bound recovery of its due from Customers and monetization of assets/securities, the Company is hopeful of significant improvement in its cash flows in due course of time.



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

#### 9. Probable Connected / Related Companies

The Reserve Bank of India (RBI) in its inspection report and risk assessment report (the directions) for the year ended March 31, 2020 had identified 'certain borrowers' as probable connected/ related companies. In view of the directions, the Company has been advised to reassess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to Srei Equipment Finance Limited ('SEFL' or 'Subsidiary Company') and also whether these are on arm's length basis.

The superseded Board and the earlier management had obtained legal and accounting views as per which these are not related party transactions.

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 RBI's inspection report since these pertain to the period prior to the Administrator's appointment. As a part of the CIRP, the Administrator has initiated a transaction audit/review relating to the process and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. As such, these financials results are subject to outcome of such audit/review.

10. The Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated investigation into the affairs of the Company under Section 206(5) of the Companies Act, 2013. The Company is fully co-operating with the investigating agency.
11. As at March 31, 2021, the Company was having shortfall payment of INR 53 Lakh in relation to the Corporate Social Responsibility ('CSR') which were unspent. These unspent amounts as per the requirements of Section 135 of the Companies Act, 2013 ('Act') were to be transferred to funds specified under Schedule VII to the Act within a period of 6 months. However, the domestic lenders of the Company had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited
12. In accordance to Ind AS 108 - "Operating Segments", the required disclosure is done in the Consolidated Financial Results of the Company.
13. The figures for the quarter ended September 30, 2021 are balancing figures between reviewed amounts in respect of the half year ended September 30, 2021 and the figures of first quarter i.e. quarter ended June 30, 2021 of the current financial year.



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14. The figures for the quarter ended December 31, 2021 in each of the financial years are the balancing figures between figures in respect of the nine months and the year to date figures upto the end of the first six months of the respective financial year.
15. Previous period/year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification of the current period.

**For Srei Infrastructure Finance Ltd.  
(A Company under Corporate Insolvency  
Resolution Process vide NCLT Order dated October 08, 2021)**



**RAJNEESH SHARMA**  
ADMINISTRATOR APPOINTED UNDER IBC

**Place: Kolkata**  
**Date : 14<sup>th</sup> February, 2022**

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

Address for Correspondence - Vishwakarma 86C, Topsia Road (South), Kolkata, West Bengal, 700046

Email ID for Correspondence: [sreiaadministrator@srei.com](mailto:sreiaadministrator@srei.com)





**Independent Auditor's Review Report on quarterly and year to date Unaudited Consolidated Financial Results of Srei Infrastructure Finance Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To The Administrator**

**Srei Infrastructure Finance Limited**

- 1) We were engaged to review the accompanying Statement of Unaudited Consolidated Financial Results of Srei Infrastructure Finance Limited ("the Holding Company/SIFL") and its subsidiaries and trust (the Holding Company, its Subsidiaries and trust together referred to as "the Group") for the quarter ended December 31, 2021 and for the year to date from April 1, 2021 to December 31, 2021 ("the Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
- 2) The Reserve Bank of India ('RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Holding Company (SIFL) and its wholly owned subsidiary, Srei Equipment Finance Limited (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 Corporate Insolvency Resolution Process ('CIRP') against SIFL and SEFL under Section 227 read with clause (2k) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT"). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application made by RBI for initiation of CIRP against SIFL and 'SEFL. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions of Resolution Professional as per the Code and that the management of the Company shall vest in the Administrator. Further, NCLT has also retained the three-member Committee of Advisors, as aforesaid, for advising the Administrator in the operations of SIFL/SEFL during the CIRP.

We refer to Note No. 2 to the Statement with regards to the responsibility of the Administrator in respect of the preparation of this Statement which have been taken on record by the Administrator, only limited to the extent of discharging the powers of the Board of Directors of the Company which were conferred upon him under the Code and solely for the purpose of ensuring regulatory compliance.



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

In view of the matters described in paragraph 7 mentioned below, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our conclusion on this Statement. Accordingly, we do not express a conclusion on this Statement.

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

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

- 4) The Statement includes the results of the following entities:

S.No.	Name of the Entities	Relationship
1.	Srei Equipment Finance Limited ("SEFL")	Wholly owned Subsidiary
2.	Srei Capital Markets Limited	Wholly owned Subsidiary
3.	Srei Asset Leasing Limited (Formerly Srei Finance Limited)	Wholly owned Subsidiary
4.	Controlla Electrotech Private Limited	Wholly owned Subsidiary
5.	Srei Mutual Fund Asset Management Private Limited	Wholly owned Subsidiary
6.	Srei Mutual Fund Trust Private Limited	Wholly owned Subsidiary
7.	Srei Insurance Broking Private Limited	Wholly owned Subsidiary
8.	Bengal Srei Infrastructure Development Limited	Subsidiary
9.	Trinity Alternative Investment Managers Limited (Formerly Srei Alternative Investment Managers Limited)	Subsidiary
10.	Hyderabad Information Technology Venture Enterprises Limited	Step-down Subsidiary
11.	Cyberabad Trustee Company Private Limited	Step-down Subsidiary
12.	Srei Mutual Fund Trust	Trust

#### 5) Basis for Disclaimer of Conclusion

- a) Note No. 2 to the Statement which explains that the Administrator has appointed professionals and has initiated audits/reviews relating to the processes and compliances of SIFL and SEFL and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code. Hence, the Statement is subject to outcome of such audits/reviews. Pending the



outcome of the Transaction Audit, we are unable to comment on the impact, if any of the same on the Statement. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of the Company of SIFL and SEFL on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL.

- b) Note No. 3 to the Statement which explains that latest valuations from independent valuers in respect of assets/collaterals held as securities and considered for loan loss provision is in progress. Hence, pending completion of the process, we are unable to comment on the impact, if any of the same on the Statement.
- c) Note No. 4 to the Statement which explains that during the financial year 2019-20, the Holding Company and its subsidiary, SEFL accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement (CBTA<sup>1</sup>) with SEFL, with effect from October 1, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of the Holding 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, SIFL and SEFL had filed two separate applications under Section 230 of the Companies Act, 2013 before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Scheme were pending before NCLT/NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. Both the schemes of arrangement were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in this matter which has been allowed by the Tribunal vide order dated February 11, 2022.

As stated in the said Note, the Holding Company is in the process of evaluating the impact of the order dated February 11, 2022 on validity of BTA or otherwise and is also taking legal opinion in the matter and outcome of the same will be given effect to, as appropriate. Hence, with regards to the uncertainties that exists in the matter of BTA, we are unable to comment on the accounting of BTA, as aforesaid, done by SIFL and SEFL and accordingly on the impact of the same, if any, on the Statement,

- d) Note No. 6 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims admitted by the Administrator for SEFL and SIFL has been given in the books of account. As per the Code, the creditors can file their claim during CIRP and the figures of claims admitted and accounted in the books of accounts might undergo changes during CIRP. Hence, adjustments, if any, arising out of the claim verification and submission process, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Statement.





- e) Note No. 7 to the Statement which states that SEFL has not provided for Rs. 957 Crores, pursuant to its admission under the CIRP, in respect of its obligation for interest on all the borrowings since insolvency commencement date i.e. October 08, 2021. Had SEFL provided its obligation for interest, as aforesaid, profit before tax for the quarter and loss before tax for the nine months ended December 31, 2021 would have resulted in a loss before tax of Rs. 886 Crores and Rs. 3,744 crore for the quarter and nine months ended December 31, 2021 respectively.
- f) Note No. 8 to the Statement 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 INR 273 crore as at December 31, 2021. As stated, in the said note, pending final determination by SEFL of the financial and other consequences arising out of such non-compliance, no adjustments have been made to the Statement. SEFL has reported the fact to RBI and their reply in this respect is awaited.
- g) Note No. 9 to the Statement which explains that SEFL as per the Code on the date of commencement of CIRP i.e. October 8, 2021 has converted foreign currency debt into INR and accordingly has not translated its foreign currency exposure as on December 31, 2021, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Statement.
- h) Note No. 9 to the Statement which explains that SIFL and SEFL, 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. In view of the RBI's directions, the erstwhile management of SEFL, in line with arm's length principles, was in the process of re-assessing a 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 SEFL has gone into CIRP. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's direction since these pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator has appointed professionals and has initiated a transaction audit/review relating to the process and compliance of the Company and has also for conducting transaction audit as per section 43, 45, 50 and 66 of the Code, which is in process. We are unable to comment on the impact of the same, if any, on the Statement
- i) Note No. 13 to the Statement which explains that based on the directions of RBI, SEFL has made provisions amounting to INR 98 crores and INR 50 crores 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

- j) 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, if any of the same on the Statement.
- k) Note No. 15 to the Statement which explains the reasons owing to which SIFL and SEFL was not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated, in the said note, pending final determination of the financial and other consequences arising out of such non-compliance, no adjustments have been made to the Statement.
- l) Note No. 17 to the Statement which states that SEFL is in the process of assessing the asset cover on its secured redeemable non-convertible debentures ('NCDs') as at December 31, 2021. Since, the process of such assessment is still going, we are unable to comment on the asset cover on the NCDs.
- m) In view of the possible effects of the matters described in paragraph 7(a) to 7(k) above, we are also unable to comment on the group's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any.
- n) In view of the possible effects of the matters described in paragraph 7(a) to 7(l) above, we are also unable to comment on the group's compliance on various regulatory ratios/limits and consequential implications including disclosures, if any.

## 6) Disclaimer of Conclusion

In view of the significance of the matters described in paragraph 6 above, we have not been able to obtain sufficient and appropriate evidence and therefore, unable to conclude as to whether the Statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the Statement has disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We had also issued a Disclaimer of Conclusion Report basis the observations forming part of the report for the quarter and six months ended September 30, 2021.

## 7) Material uncertainty related to Going Concern

We draw attention to Note No. 10 to the Statement which states that SIFL and SEFL has been admitted to CIRP and also Indicates the factors that have further resulted into net loss during the quarter and nine months ended December 31, 2021. As a result, the Group's net worth has



fully eroded as at that date and it has not been able to comply with various regulatory ratios/limits. All this have impacted the group'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 Group's ability to continue as a 'Going Concern' in foreseeable future. However, for the reasons stated in the said note, SIFL and its material wholly owned subsidiary SEFL has considered it appropriate to prepare their Statement on a going concern basis, and hence this statement has also been prepared on a going concern basis.

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

- a) Note No. 3 to the Statement which explains the extent to which Covid-19 pandemic has impacted the operations of the group, owing to which and based on the information available at this point of time, as stated in the note, SEFL has made ECL provision aggregating to INR 64 crore and INR 1509 crores for the quarter and nine months ended December 31, 2021 respectively. The extent to which the pandemic may further impact the operations and financial results of the group is dependent on future developments, which are highly uncertain at this point of time.
- b) Note No. 5 to the Statement which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and its subsidiary, SEFL, the Administrator, after adopting proper procedure, has filed applications before the Hon'ble NCLT, seeking, amongst other things, consolidation of the CIRP of the Company and SEFL. The application in the matter is admitted and the final order is awaited.
- c) Note No. 14 to the Statement which states that The Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated investigation into the affairs of the Company and SEFL under Section 206(5) of the Companies Act, 2013. The Company is fully co-operating with the investigating agency.

Our conclusion is not modified in respect of these matters.

- 9) We did not review the interim financial results of a subsidiary included in the Statement, whose interim financial results reflect total revenue of Rs. 813.86 crore Rs. 2,312.64 crore, total net profit after tax of Rs. 66.92 crore and Rs. (2,887.80) crore and total comprehensive income of Rs. 64.19 crore and Rs. (2,897.89) for the quarter ended 31 December, 2021 and for the period from April 1, 2021 to December 31, 2021 respectively, as considered in the Statement. The interim financial results of the subsidiary have been reviewed by other auditor whose report has been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

- 10) The Statement includes the unreviewed interim financial results of 10 subsidiaries and 01 trust included in the statement whose interim financial results reflect total revenues of Rs. 14.16 crore and Rs. 30.12 crore, total net profit after tax of Rs. 4.19 crore and Rs. 9.99 crore and total comprehensive income of Rs. 4.19 crore and Rs. 11.47 crore for the quarter ended





31 December, 2021 and for the period from April 1, 2021 to December 31, 2021 respectively, as considered in the Statement. These interim financial results have not been reviewed by the auditors of such subsidiaries and trust and have been furnished to us by the Management and our reporting on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and trust, is based solely on such unreviewed interim financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.  
Our conclusion on the Statement is not modified in respect of the above matter.

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

*N. Maheshwari*  
**Neha Maheshwari**  
*Partner*  
Membership No.: 308616  
UDIN: 22308616ACGNHW5983

**Place:** Kolkata  
**Date:** February 14, 2022



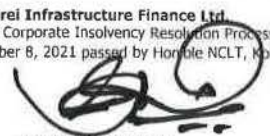
**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2021**

	Particulars	Quarter ended			Nine Months ended		(Rs. in Lakhs)
		31-Dec-21 (Unaudited)	30-Sep-21 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-21 (Unaudited)	31-Dec-20 (Unaudited)	31-Mar-21 (Audited)
	<b>Revenue from Operations</b>						
	Interest Income	67,754	56,791	44,363	190,351	226,770	285,318
	Dividend Income	-	-	-	-	-	-
	Rental Income	11,197	10,307	3,781	33,156	49,285	46,620
	Fees and Commission Income	2,515	1,844	1,223	5,981	4,536	6,186
	Net gain on fair value changes	-	-	-	-	-	-
	Net gain on derecognition of financial instruments	-	1,964	(1,500)	2,874	274	2/4
	Net gain on derecognition of financial instruments under fair value through profit or loss	-	5	5	7	7	4
	Others	1,976	715	1,164	3,653	3,292	4,680
(I)	<b>Total Revenue from Operations</b>	<b>83,442</b>	<b>71,626</b>	<b>49,036</b>	<b>236,022</b>	<b>284,164</b>	<b>343,082</b>
(II)	Other Income	500	721	(601)	(399)	6,016	5,797
(III)	<b>Total Income (I+II)</b>	<b>83,942</b>	<b>72,347</b>	<b>48,435</b>	<b>235,623</b>	<b>290,180</b>	<b>348,879</b>
	<b>Expenses</b>						
	Finance Costs	31,164	81,738	85,578	206,509	254,500	333,438
	Fees and Commission Expense	332	904	567	2,010	2,444	5,461
	Net loss on fair value changes	(300)	26,469	22,717	28,685	25,006	49,867
	Net loss on derecognition of financial instruments under amortised cost	1,113	1,131	2,748	11,746	6,895	3,635
	Impairment on Financial Instruments (Net)	21,427	121,146	283,266	186,446	293,417	551,312
	Purchase of Stock -in-trade	-	-	-	-	-	1,100
	Employee Benefits Expenses	3,061	3,220	3,633	9,553	10,625	14,290
	Depreciation, Amortisation and Impairment	14,119	14,772	20,515	43,858	54,859	73,456
	Administrative and Other Expenses	5,206	11,096	4,830	21,438	13,533	21,750
	Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt	709	607	7,650	4,041	7,650	12,451
(IV)	<b>Total Expenses (IV)</b>	<b>76,831</b>	<b>261,083</b>	<b>431,504</b>	<b>514,286</b>	<b>668,929</b>	<b>1,066,760</b>
(V)	<b>Profit before Exceptional Items &amp; Tax (III-IV)</b>	<b>7,111</b>	<b>(188,736)</b>	<b>(383,069)</b>	<b>(278,663)</b>	<b>(378,749)</b>	<b>(717,881)</b>
(VI)	Adjustment on disposal / cessation of Subsidiaries and Associate	-	-	-	-	-	-
(VII)	<b>Profit/ (Loss) Before Tax (V+VI)</b>	<b>7,111</b>	<b>(188,736)</b>	<b>(383,069)</b>	<b>(278,663)</b>	<b>(378,749)</b>	<b>(717,881)</b>
(VIII)	<b>Tax Expense:</b>						
	(a) Current Tax	143	93	(4,731)	255	179	115
	(b) Income Tax in respect of earlier year	-	7,962	(4,333)	7,962	(4,333)	(4,387)
	(c) Deferred Tax	(14)	35	7,088	69	3,725	20,230
(IX)	<b>Profit/ (Loss) After Tax but before Loss of Associates (VII-VIII)</b>	<b>6,982</b>	<b>(196,826)</b>	<b>(381,093)</b>	<b>(286,949)</b>	<b>(378,320)</b>	<b>(733,839)</b>
(X)	Share of Profit/ (Loss) of Associates	-	-	-	-	-	-
(XI)	<b>Profit/ (Loss) After Tax (IX+X)</b>	<b>6,982</b>	<b>(196,826)</b>	<b>(381,093)</b>	<b>(286,949)</b>	<b>(378,320)</b>	<b>(733,839)</b>
(XII)	<b>Other Comprehensive Income/(Expense)</b>						
	Items that will not be reclassified to Profit or Loss						
	- Remeasurement Gains/ (Losses) on Defined Benefit Plan	(38)	(83)	30	(110)	69	48
	- Gains/ (Losses) on Equity Instruments through Other Comprehensive Income	6,906	(10,517)	1,784	25,925	3,894	17,558
	- Tax related to above	(6)	(8)	(380)	(43)	(846)	(3,495)
	Items that will be reclassified to Profit or Loss						
	- Effective portion of gains and losses on hedging instruments in a cash flow hedge	-	-	691	14	854	1,573
	- Gains on fair valuation of loans	(229)	(192)	(1,695)	(892)	888	(2,713)
	- Tax related to above	-	-	1,760	-	800	800
	<b>Total Other Comprehensive Income/(Expense) (XII)</b>	<b>6,633</b>	<b>(10,800)</b>	<b>2,190</b>	<b>24,894</b>	<b>5,659</b>	<b>13,771</b>
(XIII)	<b>Total Comprehensive Income/(Expense) for the period (XI+XII)</b>	<b>13,615</b>	<b>(207,626)</b>	<b>(378,903)</b>	<b>(262,055)</b>	<b>(372,661)</b>	<b>(720,068)</b>
	<b>Profit/ (Loss) for the period attributable to:</b>						
	-Owners of the parent	6,929	(196,885)	(381,258)	(287,138)	(378,480)	(733,920)
	-Non-controlling interest	53	59	165	189	160	81
	<b>Other Comprehensive Income/(Expense) for the period attributable to:</b>						
	-Owners of the parent	6,630	(10,800)	2,692	24,831	6,161	13,771
	-Non-controlling interest	3	10	(502)	63	(502)	-
	<b>Total Comprehensive Income/(Expense) for the period attributable to:</b>						
	-Owners of the parent	13,559	(207,685)	(378,566)	(262,307)	(372,319)	(720,149)
	-Non-controlling interest	56	69	(337)	252	(342)	81
	Paid-up Equity Share Capital (Par Value Rs. 10/- per Equity Share)	50,309	50,309	50,309	50,309	50,309	50,309
	Other Equity excluding Revaluation Reserves	-	-	-	-	-	(368,209)
	<b>Earnings per Equity share (Basic and Diluted) (in Rs.) (*Not annualised)</b>	<b>*1.39</b>	<b>*(39.13)</b>	<b>*(75.75)</b>	<b>*(57.04)</b>	<b>*(75.20)</b>	<b>(145.87)</b>
	(Par Value Rs. 10/- per Equity Share)						

**Segment wise Revenue, Results, Assets and Liabilities**

Particulars	Quarter ended			Nine Months ended		(Rs. in Lakhs)
	31-Dec-21 (Unaudited)	30-Sep-21 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-21 (Unaudited)	31-Dec-20 (Unaudited)	31-Mar-21 (Audited)
<b>1. Segment Revenue</b>						
(a) Financial Services	83,582	71,629	49,093	236,167	284,349	343,329
(b) Others	1	1	83	3	238	316
<b>Total</b>	<b>83,583</b>	<b>71,630</b>	<b>49,176</b>	<b>236,170</b>	<b>284,587</b>	<b>343,645</b>
<b>Less: Inter Segment Revenue</b>	<b>141</b>	<b>4</b>	<b>140</b>	<b>148</b>	<b>423</b>	<b>563</b>
<b>Net Income from Operations</b>	<b>83,442</b>	<b>71,626</b>	<b>49,036</b>	<b>236,022</b>	<b>284,164</b>	<b>343,082</b>
<b>2. Segment Results</b>						
(a) Financial Services	7,126	(188,721)	(383,055)	(278,616)	(378,701)	(717,806)
(b) Others	(15)	(15)	(14)	(47)	(48)	(75)
<b>Profit Before Tax</b>	<b>7,111</b>	<b>(188,736)</b>	<b>(383,069)</b>	<b>(278,663)</b>	<b>(378,749)</b>	<b>(717,881)</b>
<b>3. Segment Assets</b>						
(a) Financial Services	2,679,278	2,630,582	3,200,059	2,679,278	3,200,059	2,879,359
(b) Others	1,948	1,918	1,964	1,948	1,964	1,947
(c) Un-allocable	31,359	31,342	40,622	31,359	40,622	19,052
<b>Total Segment Assets</b>	<b>2,712,585</b>	<b>2,663,842</b>	<b>3,242,645</b>	<b>2,712,585</b>	<b>3,242,645</b>	<b>2,900,358</b>
<b>4. Segment Liabilities</b>						
(a) Financial Services	3,292,385	3,257,276	3,213,013	3,292,385	3,213,013	3,218,123
(b) Others	43	25	6	43	6	20
(c) Un-allocable	24	24	30	24	30	30
<b>Total Segment Liabilities</b>	<b>3,292,452</b>	<b>3,257,325</b>	<b>3,213,049</b>	<b>3,292,452</b>	<b>3,213,049</b>	<b>3,218,173</b>

For 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

Place: Kolkata  
 Date: February 14, 2022

The Administrator has been appointed under Rule 5(a)(ii) 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 Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of SIFL & SEFL only and without any personal liability.  
 Address for Correspondence - Vishwakarma 86C, Topsia Road (South), Kolkata, West Bengal, 700046  
 Email ID for Correspondence: sreiaministrator@srei.com



## Notes:

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

The Reserve Bank of India ('RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45-IE (5) (a) of the RBI Act, constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

Thereafter RBI filed applications for initiation of Corporate Insolvency Resolution Process ('CIRP') against the Company under section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application made by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions of Resolution Professional as per the Code and that the management of the Company shall vest in the Administrator. NCLT also retained the three-member Advisory Committee, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

2. The above unaudited consolidated financial results of SIFL, its subsidiaries and trust together referred to as "the Group" for the quarter and nine months ended December 31, 2021 have been taken on record by the Administrator, in the meeting held on February 14, 2022, while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI press release dated October 4, 2021 and subsequently, powers conferred upon him in accordance with NCLT Order dated October 8, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company as a going concern.

As a part of the CIRP, the Administrator has initiated audits/review relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. As such, these financial results are subject to outcome of such audits/reviews. Since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial statements of the Company as they existed on October 4, 2021.

Regarding information pertaining to period prior to October 4, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by made by the existing company management team ('the existing officials of SIFL & SEFL'), who were part of SIFL & SEFL prior to CIRP.





The above unaudited financial results have been subjected to Limited Review by the statutory auditors of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

### **3. Moratorium granted to borrowers pursuant to RBI guidelines due to Covid 19 pandemic**

The outbreak of Covid-19 pandemic in 2020 followed by lockdown extended from time to time across India impacted the business due to slowdown in economic activities during the previous year, which has continued even thereafter.

In the previous year, as a measure for revival of economic activities, RBI issued guidelines relating to Covid-19 Regulatory Packages on March 27, 2020, April 17, 2020 and May 23, 2020 as well as resolution framework for Micro, Small and Medium Enterprises (MSME) sector and other eligible borrowers on August 6, 2020 and May 5, 2021. In accordance with these guidelines and on the basis of the then Board approved policy, SEFL offered repayment moratorium/resolution plan to eligible borrowers to whom loans have been granted (including cases of co-lending and loans assigned) (hereinafter referred to as 'borrowers') and to eligible customers to whom assets are given on lease (hereinafter referred to as 'lessees').

Owing to the above, the collection from the borrowers and the lessees had been-impacted and which also affected the cash flows of SEFL.

There is still uncertainty around Covid-19 pandemic and the extent to which the pandemic may further impact the operations, financial results of the Company and asset quality will depend on future development.

### **Loan loss provisioning and Interest on Non-convertible Perpetual Bond**

Based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty, SEFL has made ECL provision aggregating to Rs. 64 crores and Rs. 1509 crores for the quarter and nine months ended December 31, 2021 respectively.

Further, in terms of paragraph 2 (b) of Annex to the guidelines DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI on Implementation of Indian Accounting Standards for Non-Banking Finance Companies and Asset Reconstruction Companies, SEFL has also considered provision amounting to Rs. 601 crores and Rs. 1,229 crores, for the quarter and nine months ended December 31, 2021 respectively, under Income Recognition, Asset Classification and Provisioning Norms. Such provision is also over and above ECL provision as stated above and has been accounted as 'Impairment Reserve'.

As per the existing officials of the Company, in respect of borrowers/lessees where the above provisions have been made, the Company is hopeful of making recovery against such borrowers/lessees and also has assets/collaterals as applicable held as securities. However, as part of the ongoing CIRP process the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of SIFL & SEFL and assets collateral held as securities as required under the provisions of the Code. Accordingly, the financial results are subject to the outcome of such valuation process.



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#### **Interest on Non-convertible Perpetual Bond**

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 has not accrued interest of Rs.1718 lakh upto October 8, 2021.

Pursuant to the admission of the company under the CIRP, SIFL has not provided for interest amount of Rs 768 Lakh on Perpetual Bond since insolvency commencement date i.e. October 8, 2021, in respect of SIFL's obligation for interest on 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 are accrued and payable after this date.

#### **4. Business Transfer Agreement**

During the year 2019-20, the Company and its Subsidiary company, Srei Equipment Finance Limited (SEFL) entered into an agreement ('Business Transfer Agreement') to transfer the Lending Business, Interest Earning Business & Lease Business of the Company together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL pursuant to the Business Transfer Agreement, 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. October 1, 2019 while allotment of shares by SEFL was made on December 31, 2019. The superseded board of directors and erstwhile management of the Company, as existed prior to the Appointment of the Administrator, had obtained external expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework.

During the year 2020-2021, the Company had filed two separate applications under Sec. 230 of the Companies Act, 2013 ('the Act') before the Hon'ble NCLT (CA 1106/KB/2020 and CA 1492/KB/2020 at the Hon'ble NCLT Kolkata) proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). Business Transfer Agreement, constituted an integral part of the Schemes..

The first scheme (i.e. CA 1106/KB/2020) sought for amongst other things "formal consent to be obtained from the required majority of the creditors of SEFL to the completed acquisition by way of slump exchange of the Transferred Undertaking from SIFL in terms of the BTA and consequential formal novation of the loans and securities already forming part of SEFL liabilities and outstanding to the creditor." (as set out in the Scheme filed CA 1106/KB/2020)

The second scheme (i.e. CA 1492/KB/2020) sought for amongst other things restructuring of the debt due to certain creditors of the Company including secured debenture holders, unsecured debenture holders, perpetual debt instrument holders, secured ECB lenders and unsecured ECB lenders and individual debenture holders.

Pursuant to the directions of Hon'ble NCLT vide order dated October 21, 2020, the superseded board of directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. The final order/s in connection with the Schemes was awaited from Hon'ble NCLT/NCLAT at that time.



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Both the schemes of arrangement were rejected by the majority of the creditors during the meetings held pursuant to Hon' NCLT's directions (dated 21/10/2020 and 30/12/2020 respectively). Further, certain appeals were filed by rating agencies in the matter relating to the second scheme of arrangement (i.e. CA 1492/KB/2020). An application of withdrawal was filed before NCLAT by the Administrator in this matter which has been allowed by the Tribunal by an order dated February 11, 2022. The Company is in the process of evaluating the impact of the said order on validity of BTA or otherwise and is also taking legal opinion in the matter and the outcome of the same will be given effect to as appropriate.

In accordance with the obligations imposed on the Administrator under Section 18(f) of the Code, the Administrator has taken custody and control of the SIFL and SEFL with the financial position as recorded in the balance sheet as on insolvency commencement date on an 'as-is where-is' basis. The accounts for the quarter and nine months ended December 31, 2021 have been taken on record by the Administrator in the manner and form in which it existed on the insolvency commencement date in view of the initiation of the CIRP. Further, in line with the provisions of Section 14 of the Code, SIFL and SEFL have not alienated any of the assets appearing on the insolvency commencement date.

#### **5. Consolidated Resolution under CIRP**

In view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and its Subsidiary Company (SEFL), the Administrator, after adopting proper procedure, has filed applications before the Hon'ble National Company Law Tribunal- Kolkata Bench (Hon'ble NCLT) in the insolvency resolution processed of SIFL and SEFL (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021) seeking the following prayers:

- Directing the consolidation of the corporate insolvency resolution processes of SIFL and SEFL
- Directing formation of a consolidated committee of creditors for the consolidated corporate insolvency resolution processes of SIFL and SEFL;
- Directing and permitting the conduct of the corporate insolvency resolution processes for SIFL and SEFL in terms of the provisions of the Code in a consolidated manner including investigation 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;
- 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 is admitted and the order is awaited.

#### **6. Payment to lenders/others and claims under CIRP**

CIRP has been initiated against the Company, as stated in Note No. 1 and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8, 2021 (i.e. date of commencement of CIRP). As per the Code, the Administrator has to receive, collate and verify all the claims submitted by the creditors of the Company. The claims as on October 8, 2021, so received by the Administrator till 4th February 2022, is in the process of being verified/updated from time to time and wherever, the claims are admitted, the effect of the same has been given in the books of accounts.



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In respect of claims of creditors, which are rejected or under verification, the effect of the same in the books of accounts will be taken once the verification of the same is completed and it is admitted. Further, as aforesaid, since the creditors can file their claims during the CIRP, the figures of claims admitted in the books of accounts might undergo changes during the CIRP. Adjustments, if any arising out of the claim verification and admission process will be given effect in subsequent periods.

7. Pursuant to the admission of the company under the CIRP, SEFL has not provided for interest amount of Rs 957 crore on Borrowings since insolvency commencement date i.e. October 8, 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 are accrued and payable after this date. If the interest was accrued on borrowings, as aforesaid, the profit/loss before tax for the quarter and nine months ended December 31, 2021 would have resulted in a loss before tax of Rs 886 Crores and Rs. 3,744 Crores for the quarter and nine months ended December 31, 2021 respectively.

**8. 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% 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 December 31, 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 INR 273 crores being not hedged, in terms of the aforesaid RBI notification, as on December 31, 2021. SEFL has reported the above fact to RBI and reply from the same is awaited.

9. Foreign currency debt has been converted into INR as per the IBC Code on the date of commencement of CIRP on October 8, 2021 and accordingly, SEFL has not translated its foreign currency exposure as on December 31, 2021, as per the requirements of Ind AS 21 'The effects of changes in foreign exchange rates'.

**10. Going Concern**

The Group had reported losses during previous quarters/years. Hence, the net worth of the Group has fully eroded.

There is strain on the working capital and operations of the Company and its undergoing significant financial stress. As stated in Note No. 1, CIRP was initiated in respect of the Company w.e.f October 8, 2021. The Company has assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial results has been prepared on a going concern assumption basis as per below:

- The Code requires the Administrator to, among other things, run the Company as a going concern during CIRP:
- The Administrator, in consultation with the Committee of Creditors ('CoC') of the Company, in accordance with the provisions of the IBC, is making all endeavors to run



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the Company as a going concern. Considering the future business outlook and with time bound recovery of its due from borrowers/lessees and monetization of assets/securities, the Company is of the view that the cash flow will improve in due course.

CIRP has just started and ultimately a resolution plan needs to be presented to and approved by the CoC and further approved by the Hon'ble NCLT with the NOC for the approved plan from RBI. Pending the completion of the said process under CIRP, these financial results have been prepared on a going concern basis.

#### 11. Probable Connected / Related Companies

The Reserve Bank of India (RBI) in its inspection report and risk assessment report (the directions) for the year ended March 31, 2020 had identified 'certain borrowers' as probable connected/ related companies. In view of the directions, the Company has been advised to reassess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to Srei Equipment Finance Limited ('SEFL' or 'Subsidiary Company') and also whether these are on arm's length basis.

The superseded Board and the earlier management had obtained legal and accounting views as per which these are not related party transactions.

Further, in view of the 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 the Company has gone into CIRP.

The total exposure (net of impairment) towards such borrowers in SEFL is Rs.7,083 crores as on December 31, 2021.

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 RBI's inspection report since these pertain to the period prior to the Administrator's appointment. As a part of the CIRP, the Administrator has initiated a transaction audit/review relating to the process and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. As such, these financials results are subject to outcome of such audit/review.

12. Disclosures under RBI Resolution Framework 2.0 for Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) (RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22) dated May 5, 2021 and consequent to circular dated August 6, 2020 on restructuring of advances to the MSME borrowers by SEFL.

No of accounts restructured	Amount outstanding as at December 31, 2021
130	14



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13. Based on the directions of RBI, the Group has made provision amounting to INR 98 crores and INR 50 crores in respect of direct tax cases and indirect tax cases respectively where the Group was under various stages of appeal with the relevant tax authorities. These amounts which have been provided for were appearing under 'Contingent Liabilities' earlier. Since, the provision, as aforesaid, has been done on the directions of RBI, the Group 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'.
14. The Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated investigation into the affairs of the Company under Section 206(5) of the Companies Act, 2013. The Company is fully co-operating with the investigating agency.
15. As at March 31, 2021, the Group was having shortfall payment to INR 5.76 crores in relation to the Corporate Social Responsibility ('CSR') which were unspent. These unspent amounts as per the requirements of Section 135 of the Companies Act, 2013 ('Act') were to be transferred to funds specified under Schedule VII to the Act within a period of 6 months. However, the domestic lenders of the Company had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Group was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited.
16. Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has taken necessary steps to comply with norms/changes as they become applicable.
17. As per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the secured redeemable non-convertible debentures as on December 31, 2021 are secured by first pari-passu charge by mortgage of immovable property at West Bengal and Tamil Nadu and exclusive and/or specific charge on the specific & identified receivables of SEFL. Assets cover available as on December 31, 2021, net of provisions as per Ind AS norms excluding provisions made under IRACP is 77.78% of the principal amount of its secured redeemable non-convertible debentures. SEFL has not been able to maintain the asset cover as stated in the information memorandum/debenture trust deeds etc. As stated in Note No. 3 above, as part of the ongoing CIRP process the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company as required under the provisions of the Code. Accordingly, the percentage of asset cover given above is subject to the outcome of such valuation process.
18. The figures for the quarter ended September 30, 2021 are balancing figures between reviewed amounts in respect of the half year ended September 30, 2021 and the unaudited management reviewed amounts of first quarter i.e. quarter ended June 30, 2021 of the current financial year.



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19. The figures for the quarter ended December 31, 2021 in each of the financial years are the balancing figures between figures in respect of the nine months and the year to date figures upto the end of the first six months of the respective financial year.
20. Previous period/year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification of the current period.

**For Srei Infrastructure Finance Ltd.  
(A Company under Corporate Insolvency  
Resolution Process vide NCLT Order dated October 08, 2021)**



**RAJNEESH SHARMA**

ADMINISTRATOR APPOINTED UNDER IBC

**Place: Kolkata**

**Date : 14<sup>th</sup> February, 2022**

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of SIFL and SEFL are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of SIFL & SEFL 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](mailto:sreiaadministrator@srei.com)

