



Srei Infrastructure Finance Limited

Annual Report 2021-22

# Corporate Information Page

(Annual Report 2021-22)

## Administrator

Mr. Rajneesh Sharma	Administrator (under IBC)
---------------------	---------------------------

## Advisory Committee

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

## Company Secretary & Chief Financial Officer

Mr. Manoj Kumar
-----------------

## Key Managerial Personnel

Mr. Sourendranath Mukhopadhyay - Deputy Chief Executive Officer (Resigned w.e.f. July 18, 2022)
Mr. Vishnu Gopal Agarwal - Financial Controller & Chief Compliance Officer (Appointed w.e.f. March 21, 2022)

## Statutory Auditors

D. K. Chhajer & Co.  
Chartered Accountants  
Nilhat House, 11, R. N. Mukherjee Road  
Ground Floor, Kolkata - 700001

## Secretarial Auditor

Mr. Dharendra Kumar Dhiraj, Practising Company Secretary  
Ranjeet Nagar (South Patel Nagar), New Delhi - 110008 (India)

## Registrar & Transfer Agents

Kfin Technologies Limited  
Plot no. 31 & 32, Financial District  
Nanakramguda, Gachibowli, Hyderabad – 500 032  
Tel. No.: +91 40-67162222  
Fax No.: +91 40-23420814  
E-mail: einward.ris@karvy.com

## Corporate Identification Number

L29219WB1985PLC055352

## Registered Office

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

## Corporate Office

Plot No. Y-10, Block-EP, Sector-V, Salt Lake City, Kolkata - 700 091

## Listing

BSE Limited  
National Stock Exchange of India Limited

## Depositories

National Securities Depository Limited  
Central Depository Services (India) Limited

## Contents

Administrator’s Message	01
Statutory Reports	03
Financial Statements	63

37th Annual General Meeting on September 30, 2022 at 11:30 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OVAM)

1 billion = 100 crore, 1 million = 10 lacs

All figures attributed to Srei are figures of Srei Consolidated unless otherwise stated.

## Administrator's Message

Dear Stakeholders,

I take this opportunity to present the 37th Annual Report of Srei Infrastructure Finance Limited (the Company) for the financial year March 31, 2022.

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

During the financial year ended March 31, 2022 after the commencement of the CIRP on October 08, 2021, along with the Advisory Committee and the current management team of your Company, various initiatives have been taken to ensure "going concern" status of the Company. Prior to this, the Company was functioning under the now superseded Board of Directors of the Company. The focus during the CIRP period has been to strengthen the internal systems and processes of the Company, along with its Risk and Compliance culture. In this regard, the present management of the Company, under the guidance of the Administrator's Office has undertaken various initiatives including efforts to strengthen the policies and processes, compliances, functioning of the IT System, legal, internal audit and updating risk control matrices, information security, operational and credit management risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants.

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

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

I would like to use this opportunity to thank all the employees who are working tirelessly to keep the Company operational, the Creditors who have supported and co-operated in the entire process, the prospective resolution applicants for showing interest in the Company and lastly my fellow members of Advisory Committee for guiding me in every step of the process.

Regards,

**Rajneesh Sharma**  
Administrator



# Statutory Reports

# Board's Report

(Report of Advisory Committee chaired by the Administrator)

## DEAR MEMBERS,

The Reserve Bank of India (RBI) vide Press Release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company, and Srei Equipment Finance Limited (SEFL), Wholly Owned Subsidiary of your Company, on October 04, 2021 owing to governance concerns and defaults by your Company and SEFL in meeting various payment obligations and the RBI appointed Mr. Rajneesh Sharma as the Administrator of your Company and SEFL under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated October 4, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a 3 (Three) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company and SEFL during the Corporate Insolvency Resolution Process (CIRP). The members of the Advisory Committee are Mr. T T Srinivasaraghavan, former Managing Director of Sundaram Finance Limited, Mr. Farokh N Subedar, former Chief Operating Officer and Company Secretary, Tata Sons Limited and Mr. Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India (*appointed w.e.f. June 23, 2022*). Mr. R Subramaniakumar, former MD & CEO of Indian Overseas Bank, who was originally appointed as a Member of the Advisory Committee on October 04, 2021, resigned from the Advisory Committee w.e.f. June 22, 2022.

On October 08, 2021, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT/ Adjudicating Authority) under Section 227 read with Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate CIRP against your Company and SEFL. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the date of filing of the application to initiate CIRP. Thereafter, CIRP was initiated against your Company and SEFL by an Order dated October 8, 2021 of the Hon'ble NCLT. The Hon'ble NCLT, vide the said Order, confirmed the appointment of the Administrator to perform the functions of an Interim Resolution Professional / Resolution Professional and to complete the CIRP of your Company and SEFL as required under the provisions of the Code and also announced commencement of the moratorium under Section 14 of the Code with effect from October 08, 2021.

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

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

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

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

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

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

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



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

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021
Total Income	3,12,197	3,48,879	3,230	5,001
Total Expenses (including impairment on financial instruments, depreciation etc.)	5,59,577	10,66,760	4,583	8,518
<b>Profit / (Loss) Before Exceptional Items &amp; Tax</b>	<b>(2,47,380)</b>	<b>(7,17,881)</b>	<b>(1,353)</b>	<b>(3,517)</b>
<b>Exceptional Items</b>	-	-	-	<b>3,10,455</b>
<b>Adjustment on disposal /cessation of Subsidiaries and Associate</b>	-	-	-	-
<b>Profit / (Loss) Before Tax from continued operations</b>	<b>(2,47,380)</b>	<b>(7,17,881)</b>	<b>(1,353)</b>	<b>(3,13,972)</b>
Profit / (Loss) Before Tax from discontinued operations	-	-	-	-
<b>Profit / (Loss) Before Tax</b>	<b>(2,47,380)</b>	<b>(7,17,881)</b>	<b>(1,353)</b>	<b>(3,13,972)</b>
Current Tax*	252	115	-	-
Income Tax in respect of earlier year*	6,881	(4,387)	(2,926)	(54)
Deferred Tax*	(38)	20,230	-	(19,446)
<b>Profit / (Loss) After Tax but before Loss of Associate</b>	<b>(2,54,475)</b>	<b>(7,33,839)</b>	<b>1,573</b>	<b>(2,94,472)</b>
Share of Profit/ (Loss) of Associate	-	-	-	-
<b>Profit / (Loss) After Tax before adjusting Minority Interest</b>	<b>(2,54,475)</b>	<b>(7,33,839)</b>	<b>1,573</b>	<b>(2,94,472)</b>
Non-Controlling Interest	56	81	-	-
<b>Profit / (Loss) After Tax after adjusting Minority Interest</b>	<b>(2,54,475)</b>	<b>(7,33,920)</b>	<b>1,573</b>	<b>(2,94,472)</b>
Surplus brought forward from previous year (Retained Earnings)	(1,218,576)	(39,663)	(25,738)	36,288
Other Comprehensive Income (net of tax)	(17,688)	13,771	(32,707)	13,927
<b>Profit Available for Appropriation (Retained Earnings)</b>	<b>(1,473,135)</b>	<b>(7,73,308)</b>	<b>(2,56,117)</b>	<b>(2,58,162)</b>
Paid up Equity Share Capital	50,309	50,309	50,309	50,309
Amount transferred to Reserves	-	(4,46,032)	-	-
Other Equity excluding Revaluation Reserves	(6,40,417)	(3,68,209)	(77,721)	(46,587)
Earnings Per Share (Rs.)*	50.58	(145.87)	0.31	(58.53)

**OPERATIONAL REVIEW**

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

- Total Income is ₹3,230 Lacs as against ₹5,001 Lacs in the last year.
- Profit / (Loss) before taxation is ₹(1,353) Lacs as against ₹(3,13,972) Lacs in the last year.
- Net Profit / (Loss) after taxation is ₹1,573 Lacs as against ₹(2,94,472) Lacs in the last year.

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

Particulars	2021-22 (%)	2020-21 (%)
Return on Net worth	Negative	Negative
Yield on Average Funds	Nil	Nil
Cost of Funds	10.00	10.00
Gross Interest Spread	Nil	Nil
Return on Average Assets on Books	Negative	Negative
Capital to Risk Assets Ratio (CRAR)	(7.82) %	25.83

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

Return on Networth is negative & Profit After Tax of your Company during the Financial Year 2021-22 was ₹1,573 Lacs compared to Loss After Tax of ₹2,94,472 Lacs in Financial Year 2020-21, while Networth stands at negative

₹4,452 Lacs in Financial Year 2021-22 compared to negative ₹6,079 Lacs in Financial Year 2020-21.

SEFL reported a loss after tax of ₹2,772.92 Crores for the financial year ended March 31, 2022 as compared to ₹7,136.11 Crores for the Financial Year ended on March 31, 2021. At the end of the financial year, the Gross NPAs % of SEFL were 71.52% as against 60.94 % in the previous year. The net NPAs (excluding

impairment Reserve) for SEFL were 61.88% at the end of the Financial Year under review as against 51.65% in the previous year. The net NPAs (including impairment Reserve) for SEFL were 52.97% at the end of the Financial Year as against 43.52% in the previous year.

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

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

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

The Financial Statements of your Company have been prepared in accordance with Ind AS and the relevant provisions of the Companies Act, 2013 and rules made therein, as applicable and Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis. Your Company discloses standalone and consolidated unaudited financial results on a quarterly basis, which are subjected to limited review, and standalone and consolidated audited financial results on an annual basis.

Your Company has been complying with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair Practices, Anti Money Laundering and Know Your Customer (KYC) guidelines from time to time as per their circulars.

#### **Standalone**

During the financial year under review, the standalone and consolidated financial statements for the year ended March 31, 2022 have been prepared as per the Ind AS. For the financial year under review, your Company suffered a Loss Before Taxes of (₹1,353) Lacs as against (₹3,517) Lacs in the previous financial year and Profit/Loss After Tax for the year under review is (₹1,573) Lacs as against a loss of (₹2,94,472) Lacs in the previous financial year.

#### **Consolidated**

During the financial year under review, your Company's total revenue on consolidated basis stood at ₹3,12,197 Lacs as compared to ₹3,48,879 Lacs in the previous financial year. The overall operational expenses for the financial year under review were ₹5,59,577 Lacs, as against ₹10,66,760 Lacs in the previous financial year. Operating Loss Before Tax for the year under review stood at ₹(2,47,380) Lacs as compared to ₹(7,17,881) Lacs in the previous financial year. The Loss After Tax for year under review stood at ₹(2,54,475) Lacs as against ₹(7,33,839) Lacs in the previous financial year.

#### **TRANSFER TO RESERVES**

Your Company has not transferred any amount to reserves due to losses incurred during the Financial Year ended on March 31, 2022.

#### **CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)**

The Administrator under Section 13 of the Code read with Regulation 6 of the Corporate Insolvency Resolution Process (CIRP) Regulations had issued a public announcement as prescribed in Form A on October 11, 2021 for

attention of the creditors of your Company to submit their claims against your Company. The Administrator, on receipt of the claims from the creditors has prepared a list of creditors (including Financial, Operational, Workmen & Employees and Other Creditors) along with their security interest therein pursuant to Regulation 13(2)(c) of the CIRP Regulations and such list of creditors has been made available to the stakeholders of your Company on your Company's website. The claims have been admitted based on the information available in the books of accounts and records available with your Company and the information provided by the respective creditors in this regard.

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

The Administrator after preparing the list of claims of the creditors had constituted the Committee of Creditors (CoC) of your Company u/s 21 of the Code read with Regulation 17 of the CIRP Regulations. The Committee of Creditors is comprised of financial creditors of your Company as per Section 21 of the Code read with Regulation 17 of the CIRP Regulations. The Committee of Creditors had met 3 (Three) times during the year since initiation of CIRP. Further, the CoCs of your Company and Srei Equipment Finance Limited, Subsidiary Company (SEFL) in their respective CoC meeting held on November 29, 2021 approved the consolidation of CIRP of your Company and SEFL and authorised the Administrator to file an application before Hon'ble NCLT, Kolkata in this regard. The Administrator of your Company, by virtue of such authorization has filed an Interlocutory Application before the Hon'ble National Company Law Tribunal, Kolkata Bench, praying for the consolidation of the Corporate Insolvency Resolution Processes of both the Companies. The Hon'ble National Company Law Tribunal vide its Order dated February 14, 2022 was pleased to admit the application and had directed for consolidation of the Corporate Insolvency Resolution Processes of your Company and Srei Equipment Finance Limited (SEFL). Pursuant to the said Order, the Administrator of your Company had constituted a unitary and integrated CoC to conduct CIRP of both the Companies and had called for consolidated resolution plans for both the Companies under the Code and the Regulations framed thereunder. The composition of the consolidated CoC is available on <https://www.srei.com/storage/app/media/documents/2022/march/constitution-of-consolidated-coc-sifl-and-sefl-pursuant-to-honble-nclt-order160322.pdf>. The Consolidated CoC met 13 (Thirteen) times since its constitution.

In accordance with the provisions of the Code and with the approval of the Committee of Creditors of your Company ('COC'), the Administrator on February 25, 2022 invited expressions of interest ('EOI') from prospective resolution applicants for both SEFL and your Company in a consolidated manner. Subsequently, resolution plans were invited from eligible prospective resolution applicants on the basis of the Request for Resolution Plan (RFRP), as approved by the CoC.

The final list of eligible prospective resolution applicants as per Regulation 36A(12) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with FSP Rules were received and uploaded on the website of your Company under the link [https://www.srei.com/storage/app/media/documents/2022/april/Srei\\_Fin al%20List%20of%20PRAs.pdf](https://www.srei.com/storage/app/media/documents/2022/april/Srei_Fin al%20List%20of%20PRAs.pdf) on April 06, 2022.

As part of the CIRP of your Company, the Administrator, Advisory Committee and the present management team of your Company have taken various initiatives to ensure "going concern" status of your Company as required u/s 20 of the Insolvency and Bankruptcy Code ("Code"). Further, the Code and Regulations thereunder stipulate prior approval by the CoC for certain actions to be taken during the process, including as provided u/s 28 of the Code. The Administrator and the Advisory Committee as set up by the RBI to assist the Administrator in discharge of his duties, exercise oversight on the operations

of your Company apart from running the CIRP in accordance with the provisions of the Code and Regulations under the Code. The Administrator has appointed Ernst & Young LLP and AZB & Partners as process and Legal Advisors, respectively to assist him in the Completion of the CIRP of your Company. Further, various committees have been constituted/re-constituted by the Administrator with a view to have a group of in-house executives of your Company who can help the business navigate its compliance obligations.

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

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

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

#### **DIVIDEND**

Owing to the loss incurred by your Company for the Financial Year under review and due to the ongoing CIRP, no dividend has been declared/recommended on the Equity Shares for the Financial Year ended March 31, 2022.

#### **PUBLIC DEPOSITS**

Your Company decided not to accept any further public deposits or renew such maturing deposits in any manner w.e.f. April 20, 2010 and the entire amount of outstanding public deposits as on April 19, 2010 together with interest promised to the depositors, was kept in an Escrow Account with a scheduled commercial bank for the purpose of making payment to the depositors as and when they raise the claim. As on March 31, 2022 your Company does not have any unpaid / unclaimed deposits payable to the depositors.

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

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

As on March 31, 2022 the total shareholding of the Promoters' Group of your Company is 60.80 per cent and none of the Promoter/Promoters' Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialised form.

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

During the Financial Year 2019-20, the Board of Directors of your Company and Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of your Company at their respective meetings held on July 04, 2019, had for the purposes of consolidation of lending business approved the transfer, assignment and delivery of the Lending Business, Interest Earning Business & Lease Business of your Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding

non-convertible debentures), ("Transferred Undertaking") as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement (BTA), in exchange of fully paid up equity shares to be issued and allotted by SEFL, subject to all necessary approvals.

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

The consent or otherwise of other lenders is still awaited. The superseded Board of Directors and erstwhile management of your Company, as existed prior to the appointment of the Administrator, had obtained expert legal and accounting opinions in relation to the accounting of the slump exchange transaction, which confirmed that the accounting treatment so given is in accordance with the relevant Indian Accounting Standards (Ind AS) and the underlying guidance and frame work.

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

After the commencement of CIRP, an Application was filed by the Administrator of your Company seeking to withdraw the Scheme of Amalgamation which has been allowed by the NCLT by an order dated February 11, 2022. Your Company is in the process of consolidated resolution of SIFL and SEFL, and hence no further action is being contemplated regarding establishing the validity of the Business Transfer Agreement or otherwise, consequent upon the withdrawal of Schemes as stated above. Accordingly, the status quo regarding Business Transfer Agreement, as it existed on the date of commencement of the Corporate Insolvency Resolution Process, has been maintained.

#### **DISCUSSION AND ANALYSIS REPORT**

##### **Economic Review**

For two full years, successive waves of the COVID-19 pandemic have kept global growth suppressed. Of late, thanks to the increased pace of vaccination, the virus seems to be losing its severity, but the global economy is yet to come to terms with the disruption caused by the pandemic. On top of that new challenges have emerged in the form of geo-political tensions between Russia and Ukraine. The disruption in global supply chains and logistics which started with the pandemic has now got prolonged with the Russia-Ukraine war. The sanctions which have been imposed on Russia by various developed nations as a reaction to this turmoil are bound to push up prices of oil and gas as well as impact global trade and commerce. In addition, the unwinding of stimulus packages by most developed nations is likely to push up cost of credit. A combination of all these factors along with subdued private consumption will further delay the recovery in global economy.

As per the International Monetary Fund (IMF), global growth is expected to moderate from 5.9 percent in 2021 to 4.4 percent in 2022 and then further



to 3.8 percent in 2023. With the new developments on the geo-political front and a lack of clarity on whether the virus will mutate further, the future still remains uncertain and a full-fledged recovery seems still some time away.

The Reserve Bank of India (RBI) remained accommodative throughout the pandemic, supporting the government's supply-side initiatives to revive the economy. However, the RBI may have to change its stance soon. The wholesale price index (WPI) inflation in double digits for 11 months in a row from April 2021 to February 2022 and the consumer price index (CPI) inflation has been rising steadily. Now with the recent geopolitical developments and the resultant spiking of commodity and energy prices, a situation of spiraling inflation seems very likely in near future. Meanwhile, the pandemic has had a severe impact on the micro, small and medium enterprises (MSMEs). A steady rise in unemployment has kept private sector consumption muted. In this backdrop, crowding in of private investment is likely to take longer. Public investment will therefore remain the key in holding up investment demand.

However, amidst all these developments, the global investor's bullishness on the India Story seems to be intact. After recording a total FDI (equity + re-invested earnings + other capital) of USD 81.97 billion in 2020-21, India was able to attract FDI worth USD 60.34 billion during April-December of 2021-22. As on end-March 2022, India's foreign exchange reserves stood at around USD 620 billion, enough for the RBI to deal with possible currency volatilities, especially during times of geopolitical tension.

The government is working towards regaining the lost economic momentum through rapid infrastructure creation. These projects, through upstream and downstream linkages, are expected to generate new employment, create entrepreneurship opportunities, fuel domestic demand, and eventually crowd in private investment.

#### Developments in the NBFC sector

In India, as on September 2021, there were approximately 9,680 Non-Banking Financial Companies (NBFCs). These entities play an active role in promoting financial inclusion as well as in nation building. They cater to the funding needs of the Micro, Small and Medium Enterprises (MSMEs) and also provide structured credit especially to those companies providing services like construction and transportation in the infrastructure sector.

The NBFCs have been facing difficult times even before the pandemic. Ever since the IL&FS episode in 2018, the options for raising resources for NBFCs have become very limited. It is worth noting that while the RBI serves as a lender of last resort for the banks, the NBFCs have no such recourse. Ideally, an institution should be created exclusively for refinancing the NBFCs in the lines of the National Housing Bank, which refinances the Housing Finance Companies (HFCs).

The pandemic-related stress continued for the NBFCs during the year under review. Although the RBI opened a special liquidity window for the NBFCs, only the ones owned by the government or backed by big corporate houses and with superior ratings were able to access it. Thus, majority of the NBFCs continued to face massive mismatch in their cash flows, whether involved in retail lending or wholesale lending. Already the business model of some of these NBFCs, which are into structured credit, is under threat, especially those which have extended credit facilities primarily to infrastructure companies.

In spite of performing many of the same functions as banks, the NBFCs have been subject to asymmetrical regulations vis-à-vis the banks. Even before the pandemic, a trend of regulatory convergence of the NBFCs with the banks was visible, but only from the asset side, and not the liability side. During the year under review, that trend of regulatory convergence from the asset side continued.

The RBI introduced a 'scale-based regulation', aimed at mitigating any systemic risk amid looming fear of rise in bad loans post the pandemic. Those include

Base Layer, Middle Layer, Upper Layer and Top Layer. The Middle Layer entails the ones with asset size of over ₹1,000 crore and all deposit taking NBFCs irrespective of their asset size. Your Company falls in the said Middle Layer.

#### Business Outlook & Future Plans

Most of the players within the NBFC sector, including your Company, have been experiencing difficult times because of the prolonged uncertainty due to both unfavourable regulatory changes and the pandemic. Your Company, in order to tide over the problems, was in the process of re-inventing its business model. It had also stopped taking exposure in project financing. With the government significantly increasing budget allocations for infrastructure, healthcare and agriculture sectors, along with the massive investments going into technology upgradation by both the government and corporate sectors, your Company was preparing itself to tap the asset financing opportunities opening up in these sectors by consolidating assets and liabilities under its wholly-owned subsidiary Srei Equipment Finance Ltd. (SEFL) by way of a slump exchange. Your Company was also exploring new avenues of capital and resource mobilisation and was open to bringing in new set of investors, if needed.

However, on October 04, 2021, the RBI initiated insolvency proceedings against your Company and SEFL and superseded the boards of both the companies. To bring about resolution of the two companies, the RBI has appointed Mr. Rajneesh Sharma as the Administrator for the two companies. Since then the focus has been exclusively on the recovery of dues from the customers. The Administrator has also invited bids for the two companies.

With the Central Government stepping up its capital expenditure budget by 35.4 per cent to ₹7.5 trillion for 2022-23, there will be plenty of opportunities for your Company to tap into. In addition, with the rich repository of domain knowledge across various infrastructure sectors, your Company will be active in the Infrastructure Advisory space as there will be plenty of greenfield and brownfield projects coming up.

The Covid - 19 pandemic continued to impact India and world during the Financial Year ended March 31, 2022, creating unforeseen challenges. The Indian Construction and Mining Equipment Industry witnessed de-growth of 8% in FY-2022, primarily attributed to the significant slowdown observed in construction activity across the country. The most significant decline was observed in the space of Roads and Highways construction which declined to -28.6 Kms per day during FY-2022 vis-a-vis 36.5 Kms per day recorded in FY-2021. Besides the pandemic induced slowdown, natural disasters like cyclones and heavy rains in Southern India and ban imposed on construction activity in Northern India due to pollution concern in latter half of 2021, had an adverse impact on the CE industry. On a positive note, exports grew at a phenomenal rate of 60% YoY in FY-2022. With new CEV-IV emission standards, now completely adopted by the industry, there are significant opportunities for the Indian CE manufacturers to tap into the developed markets.

The Government of India's strong thrust on infrastructure development through the announcement of various mega plans including National Infrastructure Pipeline, Gati Shakti Masterplan, National Monetisation Plan, constitution of National Bank for Financing Infrastructure and Development (NABFID), and increase in budget outlay on capital expenditure for Financial Year ended March 31, 2023 by more than 35%, from INR 5.54 lakh crore to INR 7.50 lakh, augurs well for the future of the industry. The first three quarters of Financial Year ended March 31, 2022 cumulatively remained near to flat in terms of sales volume and registering a growth of only around 2.5%, as compared to Financial Year ended March 31, 2021. There has been slow progress in road construction, lower budget allocation for airport development and inadequate utilization of funds for real estate and infrastructure, leading to lower equipment sales. However, high speed train and metro rail construction gave momentum for material handling, concreting & material processing sub segments equipment. The earthmoving segment has witnessed a ~14% YoY de-growth in sales. The primary driver for de-growth has been the domestic Backhoe loader sales (34% decline YoY) especially

impacted by the 70- 80 HP category. However, exports have seen a significant growth compared to last year (~69% YoY), with increase in Backhoe loader (~73% YoY) and Crawler Excavator exports (~67% YoY) being the primary drivers. The road construction segment has witnessed a ~10% YoY de-growth in sales, primarily due to fall in domestic sales, showcasing a ~14% YoY de-growth.

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

## BUSINESS REVIEW

### I. INFRASTRUCTURE PROJECT ADVISORY

Infrastructure Project Advisory Division of your Company has established its presence across the infrastructure spectrum as strategic advisors to Central/State Governments, Statutory Bodies, PSUs and Urban Local Bodies. Your Company offers advisory, consultancy and other allied value added services from concept to commissioning in different domains of Infrastructure – majorly Urban and Industrial precincts. Some of the projects undertaken are elaborated below:

#### FEE BASED ACTIVITIES

##### a) Multilateral Funded Projects/Assignments

Your Company has been successfully handling the prestigious Asian Development Bank (ADB) funded Consulting assignment in the urban infrastructure domain. It signals the entry of your Company into the multilateral funded projects in India.

- **Selection of Consulting Services for Project Design and Management Consultant (PDMC):** Project Readiness Financing for Improving Readiness of Integrated Urban Planning – funded by ADB. This project envisages development and preparation of a comprehensive strategy for integrated urban infrastructure development in 7 (seven) District Headquarter (DHQ) towns and 13-Urban Local Bodies (ULBs) in Tripura along with improved readiness of prioritised projects in the identified urban areas (amongst these identified DHQs and 13-ULBs), covering key economic/ border trade centers leading to increased external/ donor investments in urban infrastructure projects; and faster & more efficient development of urban infrastructure projects, better management of urban assets, and strengthened capacity of urban development agencies to deliver urban services.

##### b) Smart City Mission Programme

Your Company has been associated with Smart City Mission Programme since its inception in 2015 and associated in developing Smart City proposals. As of now, your Company is actively providing support as Project Development and Management Advisors for overall project management of Smart City projects, including designing, developing, managing and implementing smart city on two outputs, viz. Area based development and Pan-city solution for Bareilly in Uttar Pradesh which include detailed project reports along with floating of tenders under various categories for implementation.

##### c) Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

AMRUT programme aims at enhancement of 5 (five) basic urban infrastructure precincts along with creation of a platform for GIS based mapping of city infrastructure. Your Company has been actively supporting this initiative and has been associated with the following:

- Independent Review and Monitoring Agency (IRMA) for Rajasthan Cluster to carry out periodic review and monitoring of the projects;

- Formulation of GIS-based Master Plan for 20 (twenty) towns/ cities Tripura with an objective to prepare Master Plan documents for the cities/ towns under the Tripura Town & Country Planning Act, 1975 along with Detailed Master Plans for Water Supply and Storm Water Drainage Formulation of GIS based Master Plan for 2 (two) clusters (26 cities/towns) in West Bengal.

##### d) Food Processing

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

- Mega Food Park Scheme to facilitate establishment of Mega Food Parks;
- The Scheme for creation of infrastructure for Agro Processing Clusters under the Central Sector Scheme – Kisan Sampada Yojana;
- The Scheme of Creation/ Expansion of Food Processing/ Preservative Capacities (CEFPPC) under the Central Sector Scheme – Scheme for Agro-Marine Produce Processing and Development of Agro Clusters (SAMPADA).
- Tourism
- Your Company has been working in the Tourism Sector for over a decade. Your Company has been successfully providing Project Management Consultancy Services for 'Loktak Lake Eco-Tourism Project' in Manipur. This project entails establishment of an effective PMC to work in close co-ordination with the Client for preparation of Detailed Project Report (DPR), RFPs, conducting Bid Process Management, Co-ordination with Ministry of Tourism/ Other funding agencies for securing funds/ grants and in intermittent design supervision

##### e) Other Infrastructure Engagements

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

- Project Management Consultant (PMC) for implementation of 5 (five) specific Sewerage Schemes in Goa;
- Independent Engineer & Auditor for Food Corporation of India to oversee/ supervise setting up of Silos on Design, Build, Finance, Own & Operate (DBFOO) basis for storage of food grains at Sangrur in Punjab and Kannauj in Uttar Pradesh;
- Appointment of Third Party Inspection Agency for Jal Jeevan Mission Project in Kargil District.

##### f) International Engagements

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

- To enhance the capacities of the line ministries and other individuals or groups related to the development endeavours and with the aim of institutionalizing the PPP capacity building program in the country, the PPP Authority, Govt. of Bangladesh engaged your Company led Consortium for providing Comprehensive Training Services on PPP in Bangladesh.
- Your Company has been working with the Ministry of Fisheries and Water Resources, Republic. of Gambia as Consultant for preparation of a detailed engineering design of Municipal Waste Collection Centres in selected Wards within the municipality of Brikama (BAC) and to carry out supervision of the works. The project is funded by the African Development Bank.

It is being anticipated that the next wave of opportunity in Government Advisory shall be across 2 (two) major areas (i) more technology and domain

specific with even more strategic support like operational management of smart and specific infrastructures that are now being created; and (ii) on revamping more social attributes connected with livelihood missions in Urban spheres owing to the post pandemic era.

Leveraging its core competency coupled with strategic planning for sectors like Urban Infrastructure (specially focus on water supply, sanitation and solid waste management) Tourism, Transportation, Industrial Park, GIS-based Master Plan, etc., your Company is working on initiatives for sustainable growth.

## ii) FINANCIAL SOLUTIONS ADVISORY

Your Company leveraged its financing and operating experience of around 30 (thirty) years to provide customized financing advisory solutions. The unique feature is an integrated offering to your Company's customer base encompassing both financial advisory and capital market services. Additionally, your Company has developed a deep understanding of the Insolvency and Bankruptcy Code (IBC) process through our relationships with various stakeholders involved in the Corporate Insolvency Resolution Process (CIRP).

During the year under review, your Company undertook various assignments pertaining to both IBC and normal transaction advisory mandates. The pandemic induced stress in the economy will continue to offer select opportunities in the future.

## INFRASTRUCTURE EQUIPMENT FINANCE - SREI EQUIPMENT FINANCE LIMITED

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

Infrastructure sector is a key driver for the Indian economy and is responsible for driving the country towards a holistic development. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development sector (townships, housing, built up infrastructure and construction development projects) and construction (infrastructure) activities stood at US\$ 25.93 billion and US\$ 23.99 billion, respectively, between April 2000 and December 2020. According to industry experts, the logistics sector in India is expected to grow at a CAGR of 10.7 percent between 2020-2024.

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

## Public Capital Investment in Union Budget of 2022-23

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

Keeping the future in mind, the Indian infrastructure equipment sector is undergoing sweeping changes not just in terms of higher demand, but also due to the digitalization and intelligentization of manufacturing for rolling out highly advanced equipment. In view of the projected growth and government's 'Make in India' initiative, most Original Equipment Manufacturer (OEMs) are upgrading their manufacturing facilities in an intelligent and innovative way by using automation, robotic, and advanced technologies; producing high-tech machines that meet global quality standards.

The NBFC sector was moving towards a silent recovery when the Covid-19 pandemic struck in the last quarter of FY-2020 and stalled its recovery. The consolidated balance sheet of NBFCs decelerated in 2019-20 due to stagnant growth in loans and advances surrounded with a challenging macroeconomic environment, weak demand compounded by risk aversion of the banks and FIs to lend to NBFCs, liquidity stress and rising borrowing costs in the wake of the IL&FS default. The initial phase of the lockdown due to pandemic was relatively higher on NBFCs since they were unable to function, however, towards the end of H1, the NBFC sector, especially that of NBFCs-ND-SI (non-deposit taking systemically important NBFCs) gained traction due to pick-up in loans and advances. Having said that, while the asset quality for the overall NBFC sector deteriorated, the infrastructure sector bore the brunt more compared to the other sectors. This is expected to worsen in the coming months due to the economic damage inflicted by Covid-19 across segments.

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

As the liquidity was constrained in general across the NBFCs, there was a market slowdown due to which there was a decline in disbursements across the sector. In the last financial year, SEFL focused entirely on collection of its dues and carrying out its Advisory Services. There were no disbursements as RBI had restricted any fresh disbursements.

Existing: In FY-2021, SEFL's total income decreased by 34% to ₹3,455 crores and your company reported a net loss of ₹7,136 crores.

Proposed : In FY-2022, SEFL's total income decreased by 9% to ₹3,142 crores and your company reported a net loss of ₹2,773 crores.

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

## RESOURCES

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

As regards to NCDs issued earlier, PDI amounting to ₹320 Crores (Rupees Three Hundred and Twenty Crores only) are unlisted and PDI amounting to

₹10 Crores (Rupees Ten Crores only) are listed on the Stock Exchanges.

Your Company received the consent of the Investors and Debenture Trustees for waiver of interest payable on listed and unlisted PDI for Financial Year 2021-22. Accordingly, pursuant to the consents received, the interest amount on the PDI amounting to ₹330 Crores (Rupees Three Hundred and Thirty Crores only) was not due and payable by your Company for Financial Year 2021-22.

Upon commencement of the CIRP of your Company, interim moratorium / moratorium under Section 14 of the Code was imposed with effect from October 08, 2021. The moratorium on initiation and continuation of legal proceedings, including debt enforcement action ensures a stand-still period during which creditors cannot resort to individual enforcement action. Further, the Company has been admitted under the CIRP on October 08, 2021 and under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest are accrued and payable after this date. Further, any such payment of interest and principal may amount to according preferential treatment to a set of creditors to the prejudice of other stakeholders. In accordance with law, all creditors are bound by the process laid out under the IBC Code. Brickwork Ratings India Pvt. Ltd. has revised the rating assigned to Perpetual Debt Instrument (PDI) of your Company to 'BWR D (Single D)' on April 07, 2021.

#### **RISK MANAGEMENT**

The risk management strategy of your Company is based on a clear understanding of various risks associated with the operating business module, adherence to well-laid risk identification and assessment procedures followed with continuous monitoring.

Risk management continues to be the core area of your Company's operations especially in an environment which is characterized by increasing uncertainties like Covid-19 pandemic, changes in operational procedures owing to market alignment, etc.

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

The risk strategy of your Company is enunciated and overseen by the Risk Committee under the direct supervision of the RBI appointed Administrator & Advisory Committee that strives to put in place specific policies, frameworks and systems for effectively managing the various risks. Policies approved from time to time by the Committee in consultation with other committees constitute the governing framework for various types of risk and business activities undertaken within this policy framework.

The contours of credit risk assessment are defined by a comprehensive and well-defined consolidated Risk Policy. Your Company has adopted strict measures towards formulating an effective operational risk management strategy which involves identification, assessment, review, control and reporting of key operational risks. Further, your Company also has a well-defined approach to identify, measure and mitigate information technology risks which are based on the globally accepted ISO27001:2013 standard.

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

In order to stay ahead in the IT curve a full-fledged Business Continuity Plan aligned with the risk management procedures has been kick started with

emphasis on modules like Disaster Recovery (DR). Your Company's servers are entirely hosted on our AWS Cloud Data Centers in Asia Pacific (Mumbai) Region. As part of the policy, automated AMI (Amazon Machine Image) backups are performed daily, weekly and monthly for all servers (application as well as data) and also all databases are backed up daily. All these backups are stored on Amazon S3 which guarantees 99.99 per cent durability and 99.99 per cent availability by redundantly storing objects on multiple devices across multiple Availability Zones (Data Centres).

#### **HUMAN RESOURCES ACTIVITIES**

During the year under review, your Company experienced an unprecedented shift in the way of life and business due to the global pandemic of Covid -19 and had to quickly adapt to the new normal. The major shift was to encourage employees to work from home and maintain social distancing norms. To adapt to the new way of working, how we interact and how we experience work life balance was a major challenge. Your Company focused on employee engagement as the utmost prominent priority and ensured regular communication and organized reach out sessions from the leader's desk. Engagement activities with employees and also their family members were organised to connect with them digitally and motivate them during challenging times.

Your Company has continued to focus on leveraging technology and digitization as a key part of its people strategy, driven by HR. Along with engagement, your Company focused on leveraging technology to impart virtual instructor led learning programs to upskill and reskill employees and building organizational capability. Learning was also used as a tool to engage with employees across the country strengthening the collaborative culture.

For your Company, all employees form part of an extended family – the Srei Parivar and your Company has continued in its efforts to encourage wellness in mind, body and spirit. Your Company focused on Wellness, Mental Health, Meditation as well as Financial Wellness sessions for employees to help them reduce anxiety, stress and build resilience.

With restrictions easing, your Company cautiously rotated back into working at the office and focused on ensuring a safe and hygienic environment. All employees were informed on return to work protocols.

The cloud-based Human Resource Management System (HRMS) which was launched earlier has been extracted to cover more areas of HR operations.

The employee count of your Company stands at 20 (Twenty) as on March 31, 2022.

#### **INFORMATION TECHNOLOGY**

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

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



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

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

#### INTERNAL CONTROL AND AUDIT

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

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

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

Your Company has a dedicated and independent Internal Audit Department reporting directly to the Audit Committee of the Board/Advisory Committee through the Administrator. The purpose, scope, authority and responsibility of the Internal Audit Department are delineated in the Audit Charter approved by the Audit Committee. Internal Audit Department influences and facilitates improvements in the control environment by constantly evaluating the risk management and internal control systems.

Furthermore, the Audit Committee of your Company evaluates and reviews the adequacy and effectiveness of the internal control systems and suggests improvements. Significant deviations are brought to the notice of the Audit Committee and corrective measures are recommended for implementation. Based on the internal audit report, process owners undertake corrective action in their respective areas. All these measures help in maintaining a healthy internal control environment.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

said policy is available at the website of the Company at [https://www.srei.com/sifl\\_corporate-policies/Corporate\\_Social\\_Responsibility\\_CSR\\_Policy.pdf](https://www.srei.com/sifl_corporate-policies/Corporate_Social_Responsibility_CSR_Policy.pdf)

During the financial year 2020-21, your Company had sanctioned contribution of ₹78,15,000/- (Rupees Seventy Eight Lacs and Fifteen Thousand only) for disbursement to various entities. However, as on March 31, 2021, your Company could disburse an amount of ₹24,95,000/- (Rupees Twenty Four Lacs and Ninety Five Thousand only), being 0.66 per cent of the average net profits of last 3 (three) immediate preceding financial years, towards CSR activities pursuant to CSR Policy of your Company. The balance sanctioned amount of ₹53,20,000/- (Rupees Fifty Three Lacs and Twenty Thousand only) could not be disbursed till March 31, 2021 due to the establishment of Trust and Retention Account (TRA) whereby all the business payments of your Company are controlled by the Bankers and your Company has no control on the cash flows. Several requests were made to the Bankers to disburse the aforesaid amount as committed to the concerned entities. However, the Bankers have not disbursed the entire sanctioned amount. Thereafter, the Corporate Insolvency Resolution Process (CIRP) of your Company commenced from October 08, 2021 pursuant to which your Company was further unable to disburse the balance sanctioned amount of ₹53,20,000/- (Rupees Fifty Three Lacs and Twenty Thousand only). Furthermore, due to the ongoing CIRP, your Company did not sanction any further contribution towards CSR activities. Your Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

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

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

#### SREI WEBSITE

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

#### SUBSIDIARY COMPANIES

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

A Report on the performance and financial position of each of the subsidiaries included in the Consolidated Financial Statements prepared by your Company



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

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

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

Name of the Subsidiary / Associate	Turnover / Total Income for the Financial Year ended 31.03.2022 (Rs. in Lacs)	Profit After Tax (PAT) for the Financial Year ended 31.03.2022 (Rs. in Lacs)	% Contribution on Turnover / Total Income for the Financial Year ended 31.03.2022	% Contribution on PAT for the Financial Year ended 31.03.2022
Srei Capital Markets Limited	32.48	(56.69)	0.010	0.004
Trinity Alternative Investment Managers Limited (TAIML) (Formerly Srei Alternative Investment Managers Limited)	1,444.88	120.85	0.463	0.025
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of TAIML)	2.03	(6.00)	0.001	0.001
Cyberabad Trustee Company Private Limited (Subsidiary of TAIML)	0.34	0.18	0.000	0.000
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	4.02	-	0.000	0.000
Bengal Srei Infrastructure Development Limited	1.72	(12.68)	0.001	0.005
Controlla Electrotech Private Limited	160.34	(26.45)	0.001	0.009
Srei Mutual Fund Trust Private Limited	0.01	(2.88)	0.000	0.001
Srei Mutual Fund Asset Management Private Limited	86.10	78.65	0.003	0.004
Srei Insurance Broking Private Limited	1,958.61	200.14	0.620	(0.027)
Srei Equipment Finance Limited (SEFL)	3,14,165	9807	97.880	97.437

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

There is no such material change and commitment affecting the financial position of your Company which have occurred between the end of the financial year of your Company to which the financial statements relate i.e. March 31, 2022 and the date of this Report.

#### POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

As on March 31, 2022, Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company is a listed 'material' subsidiary of your Company with its debt securities being listed on the Stock Exchanges in India. However, your Company does not have any material unlisted subsidiary. Your Company has formulated a Policy for determining Material Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy is available on your Company's website at [https://www.srei.com/sifl-corporate-policies/Policy\\_on\\_determining\\_Material\\_Subsiidiaries.pdf](https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsiidiaries.pdf).

#### KEY MANAGERIAL PERSONNEL (KMPs)

The Reserve Bank of India (RBI) vide Press Release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company and appointed Mr. Rajneesh Sharma, Ex- Chief General Manager, Bank of Baroda as the Administrator of your Company. Further, RBI vide its Press Release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a 3 (Three) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the CIRP. The members of the Advisory Committee are Mr. T T Srinivasaraghavan, former Managing Director of Sundaram Finance Limited, Mr. Farokh N Subedar, former Chief Operating Officer and Company Secretary, Tata Sons Limited and Mr. Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India (appointed w.e.f. June 23, 2022). Mr. R Subramaniakumar, former MD & CEO of Indian Overseas Bank, who

was originally appointed as a Member of the Advisory Committee on October 04, 2021, resigned from the Advisory Committee w.e.f. June 22, 2022.

The following directors/executives of your Company are whole-time Key Managerial Personnel (KMPs) in accordance with the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013 as on March 31, 2022-

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

Mr. Manoj Kumar was appointed as the Company Secretary w.e.f. April 01, 2021 and was later appointed as the Chief Financial Officer (CFO) of the Company w.e.f. December 08, 2021.

Mr. Rakesh Kumar Bhutoria resigned from the post of Chief Executive Officer (CEO) of the Company, w.e.f. September 15, 2021. Further, Mr. Sandeep Kumar Sultania, resigned from the post of Chief Financial Officer (CFO) of the Company, w.e.f. December 07, 2021.

Further, Mr. Sourendranath Mukhopadhyay, who was appointed as Chief Risk Officer (CRO), w.e.f. July 01, 2020 was re designated and appointed as Deputy Chief Executive officer, w.e.f. May 21, 2021. Furthermore, he was appointed as a KMP of your Company w.e.f. June 30, 2021.

#### NOMINATION AND REMUNERATION COMMITTEE

Prior to the supersession of the Board of Directors, your Company had a duly constituted Nomination and Remuneration Committee in line with the provisions of Section 178 of the Companies Act, 2013. The composition of the committee prior to the supersession was as follows: the Chairman of the Committee was Mr. Malay Mukherjee (Non-Executive & Independent Director), Dr. (Mrs.) Punita Kumar Sinha (Non-Executive & Independent Director) and Mr. Shyamalendu Chatterjee (Non-Executive & Independent Director). The

Board of Directors of your Company were superseded by RBI on October 4, 2021 as noted above, during the year under review, the role of the Board and Committees was performed by the Administrator supported by the Advisory Committee.

Prior to the supersession the Nomination and Remuneration Committee of your Company held 4 (Four) meetings during the year 2021-22 on April 01, 2021, May 13, 2021, June 30, 2021 and August 14, 2021. The Committee had formulated the Nomination and Remuneration Policy, which broadly lays down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability, and covers the procedure for selection, appointment and compensation structure of the Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The link of the policy is [https://www.srei.com/sifl-corporate-policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf)

However on March 16, 2022, the Nomination and Remuneration committee was re-constituted and the following members were inducted in the Committee: Mr. Rajneesh Sharma (Administrator), Mr. Sourendranath Mukhopadhyay (Deputy Chief Executive Officer), Mr. Jaidip Chatterjee (Head – Human Resources) and Mr. Manoj Kumar (Company Secretary). Mr. Arunabha Acharya acts as the Secretary of the Committee. The committee was further re-constituted on June 29, 2022 due to the resignation of Mr Sourendranath Mukhopadhyay, as a member of the Committee.

#### **NOMINATION AND REMUNERATION POLICY & PERFORMANCE EVALUATION**

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

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

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

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

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

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

#### **WHISTLE BLOWER POLICY (VIGIL MECHANISM)**

Your Company has formulated a codified Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any

way. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy was last revised on November 09, 2020 and is available on your Company's website at [https://www.srei.com/sifl-corporate-policies/Whistle\\_Blower\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf)

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

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

#### **POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT**

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

Your Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaints Committee constituted for this purpose. The said Policy is available on your Company's website at [https://www.srei.com/sifl-corporate-policies/Policy\\_on\\_Prevention\\_of\\_Sexual\\_Harassment.pdf](https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf).

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

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

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

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

Details of the investments made by your Company are given in Note No. 5 in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2022.

#### **ANNUAL RETURN**

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

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

All the related party transactions of your Company are entered in the ordinary course of business and are on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel

(KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the Financial Year 2021-22. Members may refer to the notes to the financial statements for details of related party transactions.

Since all related party transactions entered into by your Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialisation and your Company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries

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

As RBI superseded the erstwhile Board of Directors of your Company owing to lack of Governance, amongst various other reasons, the present management emphasizes good governance practices as paramount for your Company. For the financial year ended March 31, 2022, the details of the related party transactions entered into by your Company in the ordinary course of business at arm's length basis are mentioned in the notes to the accounts forming part of the audited (standalone) financial statements.

#### **PARTICULARS OF EMPLOYEES**

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

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

However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of your Company excluding the said statement. Any Member interested in obtaining a copy of the said statement may write to the Secretarial Department at the Registered Office of your Company.

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

Your Company has no activity relating to Conservation of Energy and Technology Absorption as stipulated in Rule 8(3) of Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively

in its operations and also continues its endeavour to improve energy conservation and utilisation, safety and environment.

During the year under review, the total foreign exchange earnings and expenditure of your Company was ₹Nil and ₹598.57, respectively (previous year Nil and ₹494.28 Lacs, respectively).

#### **CREDIT RATINGS**

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

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

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

The details of unclaimed amounts and shares transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2021-22 have been mentioned in the Corporate Governance Report annexed to the Board Report.

As per section 124(5) of the Companies Act, 2013 a company is required to transfer the amount lying in the unpaid dividend account, for 7 years, to the Investor Education Protection Fund ("IEPF"). However, pursuant to the Order dated October 08, 2021 passed by the Hon'ble NCLT, Kolkata, CIRP has been initiated for your Company and the moratorium has commenced under Section 14 of the Code read with Rule 5(b)(i) of FSP Rules effective from October 08, 2021. Prior to the date of commencement of moratorium/CIRP i.e. October 08, 2021 (CIRP commencement date) an amount of ₹18,574/- (Rupees Eighteen Thousand Five Hundred and Seventy Four) was transferable by Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of your Company to IEPF in terms of section 124 (5) of the Companies Act, 2013 pertaining to the interest on application money due for refund of 2014-15 of SEFL. However, the same has not been transferred post October 08, 2021 as your Company and SEFL, Wholly Owned Subsidiary are under IBC. The IEPF Authority has been requested to submit a proof of claim for the amount required to be transferred to IEPF as per IBC Rules.

Post commencement of moratorium/CIRP an amount of ₹31,633/- (Rupees Thirty One Thousand Six Hundred and Thirty Three) is transferable by Srei Equipment Finance Limited, wholly owned subsidiary of your Company to IEPF in terms of section 124 (5) of the Companies Act, 2013 pertaining to the interest on application money due for refund of 2014-15 of your Company.

Further, your Company is of the opinion that as per the provisions of Section 238 of the Code, provisions of IBC prevail over any other law to the extent of any inconsistency. Therefore, if any amounts are transferred to IEPF post insolvency commencement date (i.e. after October 08, 2021) or any time during the moratorium period, it would violate the provisions of Section 14 of the Code read with Rule 5(b)(i) of FSP Rules. Accordingly, the Company has written to IEPF authorities and requested guidance in this regard to compliance with section 125(2)(c) of the Companies Act, 2013 and await their response. The amount to be transferred prior to the commencement of the moratorium has been duly transferred in accordance to section 125 of the Companies Act, 2013.

## AUDIT COMMITTEE

Prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021, the Audit Committee of your Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015.

The Composition of the Audit Committee was as follows:

The Chairman of the Audit Committee was Mr. Malay Mukherjee (Non-Executive & Independent Director), Dr. (Mrs) Tamali Sengupta (Non-Executive & Independent Director), Member and Dr. (Mrs) Deepali Pant Rajeev Joshi (Non-Executive & Independent Director) Member of the Committee. The Company Secretary of your Company acts as the Secretary to the Audit Committee

2 (Two) meetings of the Audit Committee were held during the year 2021-22 on June 30, 2021 and August 14, 2021.

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

## AUDITORS

At the 35th AGM held on September 19, 2020, D. K. Chhajer & Co., Chartered Accountants, having Firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of your Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 35th AGM till the conclusion of the 40th AGM of your Company. The Statutory Auditors hold a valid peer review certificate as prescribed under Regulation 33(1)(d) of SEBI Listing Regulations, 2015.

## AUDITORS REPORT

The Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held on May 23, 2022 and adjourned to May 27, 2022 have inter-alia, considered and taken on record the Ind AS Audited Financial Results (Standalone & Consolidated) of your Company for Financial Year ended March 31, 2022, as per Regulation 33 and other applicable regulations of the SEBI Listing Regulations and in compliance with the Ind AS as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015.

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

### For Standalone Financials:

(a) Note No. 1.2, 1.3(i) and 59 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. Note 59 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 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 of

the Company, who were also part of the Company prior to the appointment of the Administrator.

(b) Note No. 51 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 its subsidiary, Srei Equipment Finance Limited (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 2020-21, SEFL had filed two separate applications under Section 230 of Act, before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Scheme were pending before 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 said note, the Company is in the process of consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained. In view of the uncertainties that exist in the matter of BTA, we are unable to comment on the accounting of BTA, as aforesaid, done by the Company and accordingly on the impact of the same, if any, on the Statement.

(c) Note No. 53 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on October 8, 2021, admitted by the Administrator till May 4, 2022 is in the process of being verified and 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. 54 (b) to the Statement which explains the reasons owing to which the Company was not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount related to Corporate Social Responsibility (CSR). As stated, in the said note, the Company has written to the Ministry of Corporate Affairs seeking exemption from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.

(e) Note No. 56 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 transaction with these connected parties were in line with arm's length principles. However, the said process was not concluded and meanwhile the Company and SEFL have gone into CIRP. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's direction since these pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator has initiated a transaction audit/review relating to the process and compliance of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code, which is in process. We are unable to comment on the impact of the same, if any, on the Statement.

- (f) We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee and Joint Lenders are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and Hon'ble NCLT. Accordingly, we are unable to comment on the possible financial effects on the Statement, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.
- (g) In view of the possible effects of the matters described in paragraph 5(a) to 5(f) above. we are also unable to comment on the Company's compliance on various regulatory ratios/limits and consequential implications including disclosures, if any.

#### Material Uncertainty Related to Going Concern

Note No. 55 to the Statement which states that the Company has been admitted to CIRP and that the Company has reported operational loss during the year ended March 31, 2022 and earlier years as well. As a result, the Company's net worth has fully eroded and it has not been able to comply with various regulatory ratios/limits etc. All this have impacted the Company's ability to continue its operations in normal course in future. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Company's ability to continue as a 'going concern' in foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Statement on a going concern basis.

#### For Consolidated Financials

- (a) Note No. 1(a) and 1.1 to the Consolidated Financial Statements which explains that the Administrator has initiated audits/reviews relating to the processes and compliances of SIFL and its subsidiary, Srei Equipment Finance Limited ("hereinafter referred to as "SEFL") and has appointed professionals for conducting transaction audit as per Sections 43, 45, 50 and 66 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code'). Hence, the Consolidated Financial Statements are 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 Consolidated Financial Statements. Further, the Notes also explain that since the Administrator has taken charge of the affairs of SIFL and SEFL on 4 October, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to 4 October, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL who were also part of the respective Companies prior to the appointment of the Administrator.
- (b) Note No 54(b) to the Consolidated Financial Statements which explains that the latest valuations from independent valuers as a part of Corporate Insolvency Resolution Process ("CIRP") in respect of assets / collaterals held as securities and considered for loan loss provision is in progress. Further, the Note also explains that, the Consolidated Financial

Statements, disclosures, categorization and classification of assets are subject to the outcome of such valuation process. Hence, pending completion of the process, we are unable to comment on the impact of the same, if any, on the Consolidated Financial Statements.

- c) Note No.55 to the Consolidated Financial Statements which explains that during the financial year 2019-20, the Holding Company and SEFL accounted for the slump exchange transaction and consequently recognized and derecognised relevant assets and liabilities in the books of account, pursuant to the Business Transfer Agreement ('BTA') 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, SEFL had filed two separate applications under Section 230 of the Companies Act, 2013 ("the Act") before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Schemes were pending before NCLT/NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. Both the Schemes were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in this matter which has been allowed by the Tribunal vide order dated 11 February, 2022.

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

- (d) Note No.57 to the Consolidated Financial Statements which explains that the Administrator has invited the financial/ operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on 8 October, 2021, admitted by the Administrator till 4 May, 2022 is in the process of being verified and updated from time to time as and when the claims are admitted and that the creditors can file their claims during CIRP. Accordingly, the figures of claims admitted and accounted in the books of account 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 Consolidated Financial Statements..

Note No.57 to the Consolidated Financial Statements also explains that SEFL as per the Code on the date of commencement of CIRP i.e. 8 October, 2021 has converted foreign currency debt into INR and accordingly has not translated its foreign currency exposure as on 31 March, 2022, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Consolidated Financial Statements..

- (e) Note No. 58 to the Consolidated Financial Statement which states that SEFL has not provided for ₹1,99,970 Lacs (approx.)for the year ended 31 March, 2022 pursuant to its admission under the CIRP, in respect of its obligation for interest on all the borrowings since insolvency



- commencement date i.e. 8 October, 2021. Had SEFL provided its obligation for interest, as aforesaid, its profit before tax for the year ended 31 March, 2022 would have resulted in a loss before tax of ₹4,47,380 Lacs for the year ended 31 March, 2022.
- (f) Note No. 59 to the Consolidated Financial Statements which explains the reasons owing to which SEFL has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to ₹27,272 Lacs, as per contractual terms, as at 31 March, 2022. As stated in the said note, SEFL has reported the above fact to RBI and reply of the same is awaited from RBI. We are unable to comment on the impact of the same or other consequences arising out of such non-compliance, if any, on the Consolidated Financial Statements.
- (g) Note No. 62 to the Consolidated Financial Statements 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 SIFL or to SEFL and also whether transactions with these connected parties 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 and re-negotiating terms and conditions with such borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project. However, the said process was not concluded and meanwhile SIFL and SEFL had 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 and has also appointed professionals for conducting transaction audit as per sections 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 Consolidated Financial Statements.
- (h) Note No. 63 to the Consolidated Financial Statements which explains that based on the directions of RBI, SEFL has made provisions amounting to ₹9,807 Lacs and ₹4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. However, SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Hence, in absence of such assessment, we are unable to comment on any non-compliance with Ind AS and the corresponding impact, if any of the same on the Consolidated Financial Statements.
- (i) Note No. 64 to the Consolidated Financial Statements which explains the reasons owing to which SIFL and SEFL were not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated in the said note, SIFL and SEFL have written to the Ministry of Corporate Affairs ("MCA") seeking exemption from the obligations of the Companies under portions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Consolidated Financial Statements.
- (j) Note No.66 to the Consolidated Financial Statements which states that SEFL has not been able to maintain the asset cover as stated in the information memorandum/ debenture trust deeds etc. which is sufficient to discharge the principal amount at all times for the secured non-convertible debentures issued by SEFL. Further, as stated in the said Note and paragraph (b) above, latest valuations from independent valuers in respect of assets is in progress, and accordingly, the percentage of asset cover given in Note No. 66 to the Consolidated Financial Statements is subject to the outcome of such valuation process. Hence, we are unable to comment on Note No. 66 as given in the Consolidated Financial Statements.
- (k) Note No. 67 to the Consolidated Financial Statements which explains that in relation to certain borrowings (including secured borrowings and NCDs) acquired by SEFL from SIFL pursuant to BTA as stated in Note No. 55 to the Consolidated Financial Statements, charges created on such borrowings are yet to be transferred in the name of SEFL and are still appearing in the name of the Holding Company for the reasons stated in the said Note. We are unable to comment on the impact of the same or any other consequences arising out of it on the Consolidated Financial Statements.
- (l) Note No. 68 to the Consolidated Financial Statements which explains the reasons owing to which the SEFL was not able to comply with the requirements of Section 125 of the Act in relation to transfer of certain amounts lying unpaid for 07 years to Investor Education and Protection Fund ('IEPF'). As stated, in the said note, SEFL has written to IEPF authorities and requested guidance in the matter. We are unable to comment on the impact of the same or other consequences arising out of such non-compliance, if any, on the Consolidated Financial Statements.
- (m) SEFL's auditors had carried out independent balance confirmation process with respect to various parties/lenders, responses for which are pending to be received as on the date of signing this report. Also, the project progress report, for the year ended 31 March, 2022, from various parties is yet to be received. Hence, we are unable to comment on such balances and status and impact of the same on the Statement, if any.
- (n) We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee and Joint Lenders are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and Hon'ble NCLT. Accordingly, we are unable to comment on the possible financial effects on the Statement, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.
- (o) In the view of the possible effects of the matters described in paragraph 5(a) to 5(p) above, we are also unable to comment on the SEFL's compliance of the covenants in respect of all borrowings (including creation of charges) and consequential implications including disclosures etc., if any.
- (p) In view of the possible effects of the matters described in paragraph 5(a) to 5(o) above, we are also unable to comment on the Holding Company's and SEFL's compliance on various regulatory ratios/ limits and consequential implications including disclosures, if any.
- (q) Response to "Material Uncertainty Related to Going Concern" of the Basis for Disclaimer of Opinion: Your Company had reported losses during the year ended 31 March, 2022 and earlier year/periods as well. Hence, the net worth of the Company has fully eroded.

Note No. 61 to the Consolidated Financial Statements 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 year ended 31 March, 2022 and earlier year as well. As a result, the Group's net worth has fully eroded and it has not been able to comply with various regulatory ratios/limits etc. All this have impacted the 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 SEFL have considered it appropriate to prepare their Consolidated Financial Statements on a going concern basis.

### SECRETARIAL AUDIT REPORT

Your Company appointed Mr. Dharendra Kumar Dhiraj, Company Secretary in practice, having Membership No. A52509 Certificate of Practice (COP) No. 19266, as the Secretarial Auditor of your Company for Financial Year 2021-22 in place of Mr. Sidharth Baid to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report confirms that your Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules made thereunder, the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)), all the Regulations of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

There have been certain observations by the Secretarial Auditor in their report for the review period with respect to compliance under Companies Act, 2013 and SEBI and RBI regulations. The management's responses are stated in notes to accounts for the F.Y. 2021-22. Further, the other observations in the Audit Report are arising out of supersession of Board and initiation of CIRP.

### CORPORATE POLICIES

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

### CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015, a separate section on Corporate Governance and a Certificate from a Practicing Company Secretary confirming compliance with the requirements of Corporate Governance, forms part of this Annual Report.

The Corporate Governance Certificate (CGC) contains certain observations, qualifications and remarks. The responses to all the aforesaid observations, qualifications and remarks are given herein below:

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

- a) The Company was delayed in the filing of Standalone and Consolidated Financial Results and related disclosure of the Company for the Quarter and Half-Year ended on September 30, 2021 in accordance to regulation 33 of SEBI Listing Obligations and Disclosure Requirements, 2015.
- b) As per Regulation 17(8) of SEBI LODR Regulations, 2015, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) shall provide the compliance certificate to the Board of Directors as specified in Part B of Schedule II in LODR Regulations, 2015, whereas the same has been provided by Company Secretary and Chief Compliance Officer.
- c) As per Para D of Schedule V a declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management, whereas the same has been signed by Company Secretary and Chief Compliance Officer.

### DIRECTORS

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

Accordingly, the disclosures pertaining to the Board of Directors, Board Meetings, relationship between Directors inter-se, shares and Convertible Instruments held by Non-Executive Directors, separate meeting of Independent Directors, familiarization programme for Independent Directors, Board qualifications and attributes and other disclosures pertaining to the Board of Directors were not applicable to your Company as on March 31, 2022.

However, before supersession of the Board of Directors of your Company, the constitution of the Board was as follows:

Mr. Hemant Kanoria (Chairman – Executive), Mr. Sunil Kanoria (Vice Chairman – Non-Executive), Mr. Shyamalendu Chatterjee (Non-Executive and Independent), Dr. Punita Kumar (Non-Executive and Independent), Mr. Malay Mukherjee (Non-Executive and Independent), Dr. Tamali Sengupta (Non-Executive and Independent) and Dr. (Mrs.) Deepali Pant Rajeev Joshi (Non-Executive and Independent).

In accordance with the provisions of Section 152 of the Companies Act, 2013 (Act) and the relevant Rules and your Company's Articles of Association, not less than two-thirds of the total number of Directors of a public company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and one-third of such of the Directors for the time being as are liable to retire by rotation. However all such directors, who were liable to the rotational retirement, were superseded by RBI in exercise of the powers vested with RBI under Section 45-IE (1) of the Reserve Bank of India Act, 1934, as explained earlier in this Report.

### MEETINGS OF THE BOARD & BOARD COMMITTEES

As stated earlier in this Report, RBI on October 04, 2021 had superseded the Board of Directors of your Company and initiated CIRP process vide order of

the Hon'ble NCLT dated October 08, 2021. Accordingly, no board meetings were held during the year under review since October 04, 2021 i.e. after the said supersession.

However, before supersession of the Board of Directors of your Company, the Board of Directors of your Company held 6 (six) Board Meetings on April 01, 2021, April 23, 2021, May 21, 2021, June 07, 2021, June 30, 2021, and August 14, 2021.

#### ADVISORY COMMITTEE

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

The Administrator is the Chairman of the meetings and the minimum quorum is Chairman and at least two advisors. Further even after initiation of CIRP of your Company vide NCLT order dated October 08, 2021, the Advisory Committee shall continue as the Advisory Committee constituted under Rule 5 (c) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019. The Advisory Committee advises the Administrator on the operations of your Company during the CIRP.

Further as stated earlier that in accordance to the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution. Since the Administrator also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the Administrator in fulfillment of his role and responsibilities. The members of the Advisory Committee are Mr. T T Srinivasaraghavan, former Managing Director of Sundaram Finance Limited, Mr. Farokh N Subedar, former Chief Operating Officer and Company Secretary, Tata Sons Limited and Mr. Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India (appointed w.e.f. June 23, 2022). Mr. R Subramaniakumar, former MD & CEO of Indian Overseas Bank, who was originally appointed as a Member of the Advisory Committee on October 04, 2021, resigned from the Advisory Committee w.e.f. June 22, 2022.

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

Subsequent to the supersession of the Board of Directors of your Company by RBI vide its Press Release dated October 04, 2021, RBI had filed an application for initiation of corporate insolvency resolution process against your Company under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC) 2016 read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 before Kolkata Bench of the Hon'ble National Company Law Tribunal ("Hon'ble NCLT").

In the said petition being C.P. (IB) No. 295/KB/2021, the Hon'ble NCLT vide order dated October 8, 2021 was pleased to admit the said petition application and accordingly Corporate Insolvency Resolution Process (CIRP) was initiated against your Company.

Accordingly, Mr. Rajneesh Sharma was appointed as the Administrator of SIFL in terms of rule 5(a)(iii) of the Insolvency & Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 to carry out the functions as contemplated

by Sections 15, 17, 18, 19 and 20 of the Insolvency and Bankruptcy Code, 2016. The Order further provides that there shall be moratorium in terms of section 14 of the said Code in respect of your Company.

Your Company received a letter dated November 15, 2021 from the Securities and Exchange Board of India (SEBI) being a Show Cause Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 alleging that your Company failed to disclose material information to the Exchange(s) as per the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of SEBI Circular dated September 09, 2015, with respect to an interim order passed by National Company Law Appellate Tribunal (NCLAT), in response to the appeal filed by CARE Ratings Limited, a rating agency before the Appellate Authority against the order passed by NCLT, restraining the credit rating agencies from treating the non-payment of interest / principal by your Company as a default. Your Company appeared before the Adjudicating Officer (AO) of SEBI and the AO after taking into consideration the facts and circumstances of the case, imposed a penalty of ₹2,00,000 (Rupees Two Lacs) on your Company. However the order is subject to the outcome of the appeal filed by SEBI before the Hon'ble Supreme Court in the matter of 'Dewan Housing Finance Corporation Ltd. v. Securities and Exchange Board of India.'

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

- the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- transferring, encumbering, alienating or disposing off by the corporate debtor any of its assets or any legal right or beneficial interest therein;
- any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);
- the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

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

#### Re-statement of accounts of subsidiary for the year ended March 31, 2022

The audited consolidated financial statements for the year ended March 31, 2022 has undergone change during the quarter ended June 30, 2022 retrospectively due to revision of audited financial statements by Trinity Alternative Investment Managers Limited, a subsidiary of your Company, after having received from them their set of financial statements for consolidation of your Company's financial statements. As a result of this retrospective adjustment, Other Comprehensive Income (net of income tax) has reduced by ₹307 crores for the year ended March 31, 2022. This has also resulted in change in Other Equity and Investments of your company as on March 31, 2022.

### BOARD'S RESPONSIBILITY STATEMENT

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

The Administrator and Advisors have not been able to analyze in depth the accuracy validity, completeness or authenticity of the information and figures mentioned in the audited financial statements as they have joined after October 04, 2021. In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of accounts of your Company. The audited financial statements are drawn on the basis of figures appearing in the books of accounts of your Company as on March 31, 2022.

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

### GENERAL DISCLOSURES

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

- Issue of equity shares with differential rights as to dividend, voting or otherwise;

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

### ACKNOWLEDGEMENT

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

**On behalf of the Srei Infrastructure Finance Limited**

**Rajneesh Sharma**  
**Administrator**

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

Date : September 06, 2022  
Place : Kolkata



**FORM No MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

**To,**  
**The Members,**  
**SREI INFRASTRUCTURE FINANCE LIMITED**  
**(CIN: L29219WB1985PLC055352)**  
 "VISHWAKARMA' 86C, TOPSIA ROAD  
 KOLKATA-700046, WEST BENGAL

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SREI INFRASTRUCTURE FINANCE LIMITED** (hereinafter called "the Company") having **CIN: L29219WB1985PLC055352**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, including other information as specified hereunder provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (Audit period) complied with the statutory provisions listed in **Para A:**

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of the business of the Company the same has been done by us as much as possible.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
5. As the Company is presently under Corporate Insolvency Resolution Process ("CIRP"), the management representation in matters is required for the purpose of our Audit. As such, the Audit disclaims opinion on any aspect which could otherwise have been made depending on management representation, including but not limited to recording, disclosing and dissemination of information; record-keeping and preservation; conduct of meetings, identification of related parties and related party transactions; and other compliance systems and procedures in general, as may be required under applicable laws.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company
8. Due to the inherent limitations of an Audit including internal, financial, and operating controls as well as specific circumstances noted above, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
  - A. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:
    - I. The Companies Act, 2013 (the Act) and the Rules made there under;
    - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
    - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
    - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
    - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act. 1992 ('SEBI Act') to the extent applicable:
      - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies Act and dealing with client;
      - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and other applicable Regulations/guidelines / circulars as may be issued by SEBI from time to time.
      - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/ The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
      - f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;



- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- h. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014/ The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- i. The Securities and Exchange Board of India (Buyback of securities) Regulations, 2018; and

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

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

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

The Reserve Bank (Press Release: 2021-2022/984) appointed Shri Rajneesh Sharma as the Administrator and has constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties. On 8th October, 2021, (Press Release: 2021-2022/1009) filed applications for initiation of Corporate Insolvency Resolution Process against SREI Infrastructure Finance Limited under section 227 read with clause (zk) of sub section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('The Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT').

The three Member Advisory committee constituted has the following Members:

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

During the year under review the Company has been admitted to Corporate Insolvency Resolution Process (CIRP) and has reported operational loss during the year ended 31st March, 2022 and earlier years as well. As a result, the Company's net worth has eroded and it has not been able to comply with various regulatory ratios/limits which exhibit material uncertainty and Company's foreseeable future.

M/s. D.K. Chhajer & Co. Chartered Accountants, Partnership Firm, having Firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI) are appointed as the Statutory Auditors of the Company, to hold office w.e.f. 35TH Annual General Meeting (AGM) of the

company till the conclusion of the 40TH Annual General Meeting (AGM) of the Company.

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

- i. Secretarial Standards as mandated and issued by the Institute of Company Secretaries of India; and
- ii. Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

1. Events Altering Composition of Board and its Committees, Management etc.
  - a. Ms. Deepali Pant Rajeev Joshi, has been appointed as Independent Director (Additional Director) of the Company w.e.f. 30th June, 2021.
  - b. Mr. Srinivasachari Rajagopal has resigned from the post of Independent Director (Non-Executive) w.e.f. 30th June, 2021.
  - c. Mr. Sourendranath Mukhopadhyay has been appointed as Deputy Chief Executive Officer (Whole Time Key Managerial Personnel) of the Company w.e.f. 30th June, 2021.
  - d. Mr. Sandeep Lakhota (FCS 7671), Company Secretary of the Company resigned from the position of Company Secretary & Compliance Officer w.e.f. 20th March, 2021. The said vacancy was filled up by Mr. Manoj Kumar (FCS 6698), on 1st April, 2021. Ms. Ekta Agarwal (FCS 11388), Deputy Company Secretary was appointed as the Compliance Officer of the Company w.e.f. 21st March, 2021 and held office as Compliance Officer till the appointment of Mr. Manoj Kumar as Compliance Officer.
2. The Company has maintained the minutes and related records, however certain non-material deficiencies were observed, as per the Secretarial Standard issued by the Institute of Company Secretaries of India as applicable to Company pursuant to section 118 of the Companies Act, 2013 and rules made thereunder.
3. The Company is yet to file with ROC w.r.t Charge Form pursuant to transfer of charges from Srei Infrastructure Finance Limited (SIFL) to Srei Equipment Finance Limited (SEFL) in terms of Business Transfer Agreement, which itself is sub-judice.
4. The Company had constituted following Committees prior to the supersession of its Board:
  - a. Audit Committee
  - b. Nomination & Remuneration Committee
  - c. Corporate Social Responsibility Committee
  - d. Stakeholders Relationship Committee
  - e. Committee of Directors
  - f. Credit and Investment Committee
  - g. Asset Liability Management Committee
  - h. Risk Committee

- i. IT Strategy Committee
  - j. Business Responsibility Committee
  - k. Committee of Key Executives
  - l. Governance Committee
5. The Company has constituted/ re-constituted the following Committees post 8th October, 2021:
- a. Core Strategic Committee
  - b. Corporate Governance & Audit Committee
  - c. Asset Liability Management Committee
  - d. Risk Committee
  - e. Nomination & Remuneration Committee
  - f. Credit and Investment Committee
  - g. Information Technology Strategy Committee
  - h. People Committee
  - i. Corporate Social Responsibility Committee
6. The Reserve Bank of India ("RBI") via Press Release dated 4th October, 2021 superseded the Board of Directors of Srei Infrastructure Finance Limited. The Reserve Bank of India ("RBI") via another Press Release dated 4th October, 2021 constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties. Further, on commencement of the Corporate Insolvency Resolution Process (CIRP) vide Order of the Hon'ble NCLT, Kolkata Bench dated 8th October, 2021, a Committee of Creditors was constituted as per the provisions of the Insolvency and Bankruptcy Code, 2016.
- As per MCA General Circular No. 08/2020 dated 06.03.2020, the resolution professional shall have to file the NCLT Order in Form INC-28 in the capacity of CEO, to change the MCA status from 'Active' to 'CIRP' and for further filings and compliances. The e-form

INC-28 has been filed on 26th October, 2021 and the same was approved by the Registrar of Companies on 10th March, 2022.

7. Pursuant to Section 135(5) of the Companies Act, 2013, SIFL has not transferred the unspent amount of ₹53,20,000/- w.r.t. CSR contribution to a Fund specified in Schedule VII of the Companies Act, 2013 due to the establishment of Trust and Retention Account (TRA) whereby all the business payments of the Company were controlled by the Bankers and the Company had no control on its cash flows in spite of repeated request the amount was not paid. The company has sent necessary intimation in this regard to the Ministry of Corporate Affairs (MCA) vide its letter dated 2nd December, 2021 requesting MCA to consider granting an exemption to the Company from the obligations under the provisions of Sections 135(5) and 135(7) of the Companies Act, 2013 and any other applicable provisions in this regard for the Financial Year ended 31st March, 2022. As informed by company, Ministry of Corporate Affairs has not given any reply in this matter till the date of report. Underlying pendency of the matter, we are unable to comment on the same.
8. We are unable to comment on minutes of Committee of Creditors, Advisory Committee & Joint Lenders, as the same wasn't shared to us by the Company.
9. During the period under review, the Company received notice for Inspection u/s 206(5) of The Companies Act, 2013 vide letter Ref no File No.7/120/2019/CL-II (ER) dated 27th September, 2021 reply w.r.t. to the same was given by the Company.
10. As per the information received by the Company, consent for waiver of interest on Non-Convertible Perpetual Bond from the Bond Holders, accordingly the Company has not accounted accrued interest of ₹330 Crores for the year ended 31st March, 2022.
11. During the period under review, the Company Post Administrative period has filed the following forms through Form GNL-2:

#### ROC Form Filed through Form GNL-2

FORM	DATE	SRN	DETAILS
AOC – 4 NBFC	10.11.2021 16.12.2021	SRN T58149824 SRN T64651714	Filing for financial statement and other documents with ROC for the FY 2020-2021
AOC – 4 NBFC (Addendum)	10.11.2021 16.12.2021	SRN T58148016 SRN T64653546	Additional attachment to Form AOC-4 NBFC for the FY 2020-21
AOC-4 CFS	10.11.2021 16.12.2021	SRN T58147174 SRN T64652357	Filing for Consolidated financial statement and other documents with ROC for the FY 2020-2021
MGT-7	10.11.2021 16.12.2021	SRN T58148131 SRN T64653140	Annual Return for the FY 2020-2021
IEPF-2	18.11.2021	SRN T64981103	Statement of unclaimed and unpaid amounts
DIR-12	05.01.2022	SRN T70408570	Appointment of CFO
INC-28	26.10.2021 10.01.2022	SRN T56061880 SRN T71343057	Filing of NCLT Order dated 08.10.2021 Appointment of Resolution Professional
DIR-12	01.02.2022	SRNT75445858	Resignation of Independent Directors (Mrs.TamaliSen Gupta, Mrs.Deepali Pant Rajeev Joshi, Mrs. Punita Kumar Sinha)
CSR-2	30.03.2022	SRNT92277953	Report on CSR for the FY 2020-2021

12. During the Financial Year 2019-20, the Company accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of accounts, pursuant to the Business Transfer Agreement ('BTA') with its wholly owned subsidiary, Srei Equipment Finance Limited (SEFL), with effect from October 1, 2019, subject to necessary approvals. The Company had filed two separate applications under section 230 of the Companies

Act, 2013 ('the Act') before the Hon'ble NCLT proposing Schemes of Arrangement ("the Schemes") with all its secured and unsecured lenders. Both the schemes of arrangement were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in this matter which has been allowed by the Tribunal vide Order dated 11th February, 2022.

The Company is in the process of Consolidated Resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of schemes. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained in view of the uncertainties that exist in the matter of BTA.

- As per the information received from the Company, the Administrator of the Company approved the maintenance of the Books and Papers of the Company in the Head Office situated at Y-10, Block EP, Sector V, Salt Lake City, Kolkata - 700 091, West Bengal along with the registered office of the Company with effect from 31st March, 2022 and necessary compliance in this regard has been done.

#### I. Listing Compliances:

It has been observed that following discrepancies w.r.t. to Compliance under SEBI LODR have been observed in the Company:

- The Company delayed in the filing of Standalone and Consolidated Financial Results for the Quarter and Half-Year ended on 30th September, 2021 as required under Regulation 33 of SEBI LODR which is applicable to Equity Listed Shares. As per the information received from the Company during the period under review fines of ₹1,71,100/- have been imposed by National Stock Exchange (NSE) for the quarter ended September 30, 2021 for non-compliance with Regulation 33 of SEBI (LODR) Regulations, 2015.
- In compliance with Regulation 55 of the SEBI LODR and other applicable laws Credit Ratings assigned by Credit Rating Agencies as on 31st March, 2022:

PARTICULARS	CARE	BRICKWORK
Long Term Bank facilities	CARE D(Single D)	-
Short Term Bank Facilities	CARE D(Single D)	-
Non-Convertible Debenture issue	CARE D(Single D)	-
Long term Infrastructure Bond	CARE D(Single D)	-
Unsecured Subordinated Tier II NCDs	CARE D(Single D)	-
Unsecured IPDI ₹10 Crore (IPDI)	-	BWR D

CARE: CARE Ratings Limited; Brickwork: Brickwork Ratings

Borrowings transferred to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, as part of the business of the Company on and from 1st October, 2019. The Rating Agencies is still continuing to issue the ratings in the name of the Company.

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

#### III. Under the Reserve Bank of India ("RBI")

- Reserve Bank of India (RBI) vide its Order No. DOR. ISG. No. S14668/20.27.007/2021-2022 dated 1st October, 2021 has issued the Order with regard to the Supersession of the Board of Directors of the Company under Section 45 IE of the Reserve Bank of India Act, 1934 and appointed Shri. Rajneesh Sharma as its Administrator with effect from 4th October, 2021.

Further, the Reserve Bank had filed an application dated 8th October, 2021 for initiation of corporate insolvency resolution process against SREI Infrastructure Finance Limited and SREI Equipment Finance Limited under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016

read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 ("FSP Insolvency Rules") at the Kolkata Bench of the Hon'ble National Company Law Tribunal (NCLT). The said petitions are admitted by NCLT, Kolkata and it has issued orders dated 8th October, 2021 as follows:

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

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

- There shall be moratorium in terms of section 14 of the Code in respect of Financial Service Provider.
- The Company has not observed some of the provisions / guidelines / circulars/Directions as applicable to Non-Banking Financial Companies issued by Reserve Bank of India (RBI).

#### IV. Under National Company Law Tribunal ("NCLT") Order's

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

In particular, UCO Bank has intimated vide its letter dated 7th October, 2021 that the amount claimed to be in default in relation to working capital demand loan facility is ₹1,65,56,30,967.99/- (Rupees One Hundred Sixty-Five Crore Fifty-Six Lakhs Thirty Thousand Nine Hundred Sixty-Seven and Ninety-Nine Paise Only). Of this the principal amount due is to the tune of ₹1,50,00,00,000/- (Rupees One Hundred Fifty Crores Only) and the interest amount due is to the tune of ₹15,56,30,967.99 (Rupees Fifteen Crore Fifty-Six Lakh Thirty Thousand Nine Hundred Sixty-Seven and Ninety-Nine Paise Only).

#### We report that:

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

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

#### We further report that:

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

- b. In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, Company undergoing the corporate insolvency resolution process is not required to comply with relevant Regulations of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 with respect to Board of Directors including that of Independent Director, Constitution, Meetings and terms of reference of the Audit Committee, Constitution, Meetings and terms of reference of the Nomination and Remuneration Committee and Constitution, Meetings and terms of reference of the Stakeholders' Relationship Committee.
- c. During the financial year ended 31st March, 2022, six board meetings were held before the commencement of the CIRP i.e. 8th October, 2021 against the Company. After supersession of the Board of Directors and their powers, the Administrator has conducted the affairs of the Company through internal committee's setup Post CIRP for the limited purpose of complying with the requirements under law on behalf of the Company.
- d. We report that there are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to made by Statutory Auditors in their report.
- e. During the audit period the Company has no specific events like Public/Right/Preferential issue of Shares/Debentures/Sweat Equity/ESOP etc.

**For Dhiraj & Co.**

Company Secretaries in Practice  
Firm Reg. No. : S2017DE539800

Sd/-

**Dhirendra Kumar Dhiraj**  
(Proprietor)

Membership No.: A52509

CP No.: 19266

UDIN: A052509D000920301

Date of Signing : 05.09.2022

Place : New Delhi



# Annual Report on Corporate Social Responsibility (CSR) Activities for Financial Year 2021- 2022

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

During the year under review, the Company had an approved Corporate Social Responsibility (CSR) Policy in place. The Policy aligned with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is:

[https://www.srei.com/pdf/Corporate\\_Social\\_Responsibility\\_CSR\\_Policy.pdf](https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf)

The CSR Policy outlines the Company's approach to CSR, CSR Thrust areas, Role of CSR Committee, CSR Reporting mechanism, amongst others.

## 2. Composition of CSR Committee

Reserve Bank of India ("RBI") vide Press Release dated October 04, 2021 superseded the Board of Directors of the Company and appointed Mr. Rajneesh Sharma as the Administrator of the Company in terms of Section 45-IE of the Reserve Bank of India Act, 1934 (RBI Act) with

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

Sr. No.	Financial Year	Amount available for set-off from preceding Financial years (₹ Crore)	Amount required to be set-off for the financial year, if any (₹ Crore)
1.	2021-22	NIL	NIL
<b>TOTAL</b>		<b>NIL</b>	<b>NIL</b>

## 6. Average net profit of the company as per section 135(5).

The average net profit of the Company as per section 135(5) is ₹ (12,600,047,496)/-. Since the net profit of the company is in negative, the company is not required to perform any CSR obligation for the Financial Year ended 2021-22.

## 7.

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

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (Rs. In Crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any funds specified under Schedule VII as per second proviso to section 135(5)		
Financial Year (in ₹)	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	NIL	NA	NA	NIL	NA

immediate effect. The Administrator was also vested with powers of the Board of Directors of the Company, pursuant to the above and as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC Code / the Code).

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

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

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)(in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through Implementing Agency Name CSR Registration number
Nil											

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation -Through implementing agency Name CSR registration number
Nil								

**(d) Amount spent in Administrative Overheads – Nil****(e) Amount spent on Impact Assessment, if applicable – Not Applicable****(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Nil****(g) Excess amount for set off, if any – Nil****9. (a) Details of Unspent CSR amount for the preceding three financial years:**

(₹ In crore)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	Nil	2.74	NA	Nil	NA	Nil
2.	2019-20	Nil	1.55	NA	Nil	NA	Nil
3.	2020-21	Nil	0.24	NA	Nil	NA	0.53
<b>TOTAL</b>			<b>4.53</b>				<b>0.53</b>

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

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

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

NIL

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

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

Your Company spent ₹2.77 Crores as CSR expenditure in the Financial Year 2018-19, whereas its CSR obligation was only ₹2.74 Crores. In 2019-20, your Company spent ₹1.58 Crores, whereas its obligation was only ₹1.55 Crores. Your Company considers social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of the society. Your Company could only disburse ₹24,95,000 whereas the sanctioned budget for CSR was ₹78,11,468/- due to the establishment of Trust and Retention Account (TRA) whereby all the business payments of your Company are controlled by the Bankers and your Company has no control on the cash flows. In the Year 2021-22, considering the special circumstances that your Company is in CIRP and it has failed to repay the dues to its lenders and other creditors the obligations under the provisions of Section 135 of the Companies Act, 2013 could not be fulfilled.

In the view of the abovementioned circumstances your Company had made a written representation to the Ministry of Corporate Affairs (MCA) vide its letter dated December 02, 2021 and had sought an exemption under the provisions of Section 135(5) and 135(7) of the Companies Act, 2013 and any other applicable provisions in this regard for the Financial Year ended March 31, 2022. The Company had requested the Ministry that following the special circumstances that the Company is in CIRP, the Company should be granted the exemption given its financial and operational situation. The Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

**On behalf of the Srei Infrastructure Finance Limited**

Sd/-  
**Rajneesh Sharma**  
**Administrator**

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

Dated : September 06, 2022  
Place : Kolkata

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

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

Sl. No.	Name of the Directors	Remuneration (Rs.)	Median Remuneration of employees (Rs.)	Ratio (In times)
1	Mr. Hemant Kanoria	-		0.00
2	Mr. Sunil Kanoria	6,50,000		0.90
3	Mr. Srinivasachari Rajagopal	7,50,000		1.04
4	Mr. Shyamalendu Chatterjee	8,25,000		1.14
5	Dr. (Mrs.) Punita Kumar Sinha	9,00,000	7,24,277	1.24
6	Mr. Malay Mukherjee	12,00,000		1.66
7	Mr. R. K. Agarwal	8,75,000		1.21
8	Dr. (Mrs.) Tamali Sengupta	8,50,000		1.17
9	Deepali Pant Rajeev Joshi#	2,75,000		0.38

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

\*Remuneration includes sitting fees paid to Non-Executive Directors for attending meetings of Board and various committees thereof.

#Resigned with effect from close of business hours of June 30, 2021.

### Notes:

- (a) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% (one per cent) of the net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto and as approved by the shareholders at the 34th Annual General Meeting (AGM) of the Company held on July 27, 2019. However, no commission is payable to Non-Executive Directors for the financial year 2021-22.
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl No.	Name	Designation	Remuneration of previous year# (Rs.)	Remuneration of Current year#(Rs.)	%age Increase/ Decrease
1	Mr. Hemant Kanoria	Chairman	89,76,758	0.00	(100.00)
2	Mr. Sunil Kanoria	Vice Chairman (Non-Executive Director)	11,35,000	6,50,000	8.10
3	Mr. Srinivasachari Rajagopal##		11,95,000	7,50,000	(37.23)
4	Mr. Shyamalendu Chatterjee		10,25,000	8,25,000	(19.51)
5	Dr. (Mrs.) Punita Kumar Sinha	Independent Director	11,00,000	9,00,000	(18.18)
6	Mr. Malay Mukherjee		15,25,000	12,00,000	(27.08)
7	Mr. R. K. Agarwal*		12,45,000	8,75,000	(29.71)
8	Mrs Deepali Pant Rajeev Joshi		0.00	2,75,000	100.00
9	Dr. (Mrs.) Tamali Sengupta		8,50,000	8,50,000	0.00
10	Mr. Rakesh Kumar Bhutoria**	Chief Executive Officer	2,09,28,158	1,15,57,560	(44.77)
11	Mr. Sandeep Lakhotia***	Company Secretary	79,39,715	2,71,881	(96.57)
12	Mr Manoj Kumar@	Company Secretary and Chief Financial Officer	Nil	36,38,892	100.00
13	Mr Sourendranath Mukhopadhyay	Dy. Chief Executive Officer	45,06,378	65,84,816	46.12
14	Mr. Sandeep Kumar Sultania****	Chief Financial Officer	64,40,324	55,05,405	(14.51)

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

\* Mr. R.K.Agarwal resigned from the post of Director wef., September 17, 2021

\*\* Mr. Rakesh Kumar Bhutoria, Chief Executive officer (CEO) of the Company resigned wef., September 15, 2021.

\*\*\* Mr. Sandeep Lakhotia resigned from the post of Company Secretary from March 20, 2021.

\*\*\*\* Mr. Sandeep Kumar Sultania resigned from the post of CFO of the Company wef., December 07, 2021

## Resigned with effect from close of business hours of June 30, 2021.

@ Mr Manoj Kumar was appointed as the Company Secretary wef., April 01, 2021.



**Notes:**

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

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

Median remuneration of previous year (₹)	Median remuneration of current year (₹)	% increase/decrease
15,76,920	7,24,277	(54%)

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

There were 20 (twenty) employees as on March 31, 2022 as against 28 (twenty eight) employees as on March 31, 2021.

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

Sl. No.	Particulars	Average % increase/decrease
1.	Increase in salary of Managerial Personnel*	-
2.	Increase in salary of employee (other than Managerial Personnel)	7% approx. in PMS 20-21 effect given in FY 21-22

Note: Remuneration / Salaries of only those Managerial Personnel / Employees have been considered whose remuneration / salaries are comparable i.e. who were employed for full year in the previous year and current year.

\*Managerial Personnel represents Mr. Hemant Kanoria, Chairman (Executive).

In exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ("**RBI Act**"), the Reserve Bank of India ("**RBI**") had on October 04, 2021 superseded the Board of Directors of Srei Infrastructure Finance Ltd. ("**SIFL**") and Srei Infrastructure Finance Limited ("**SEFL**") owing to governance concerns and defaults by SIFL and SEFL in meeting their various payment obligations. Accordingly, due to the supersession of the Board of Directors of the Company wef., October 04, 2021, the Company did not have any Directors. Hence, the details in this Annexure pertaining to the Directors are applicable to the Company till October 03, 2021 i.e., before supersession of the Board.

Accordingly, the undersigned was appointed as the Administrator of SIFL under Section 45-IE (2) of the RBI Act. The undersigned acts as an agent of the Company without any liability.

The employee count in FY 2021-22 decreased in comparison to FY 2020-21 resulting in decrease in the median percentile of salaries. There has been no increment in the remuneration.

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

Yes it is confirmed.

**On behalf of the Srei Infrastructure Finance Limited**

Sd/-  
**Rajneesh Sharma**  
Administrator

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

Date : September 06, 2022

Place : Kolkata

## Particulars of Employees

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

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

Sl. No.	Name	Designation	Remuneration Received (₹)	Qualification	Experience in years	Age in years	Date of commencement of Employment	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in Company
1	Rakesh Kumar Bhutoria	Chief Executive Officer	1,15,57,560	B.E. (Hons.), MMS	31	56	01.11.2018	IDFC Bank Ltd. - Group EVP & Head -Commercial Banking & Strategic Initiatives	NIL
2	Sourendranath Mukhopadhyay	Deputy CEO-SIFL	65,84,816	BE, CAIIB, PGDFA	36	59	07.02.2011	IDBI Bank Ltd. - DGM	Negligible
3	Sandeep Kumar Sultania	Chief Financial Officer	55,05,405	M.Com, MBF, FCA, ACS, ACMA, DISA (ICAI)	24	48	04.07.2018	Manaksia Industries Ltd. - Chief Financial Officer	NIL
4	Manoj Kumar	CS & CFO	36,38,892	PGDPM, CS, B.Sc, LLB	14	51	01-04-2021	Aequs Private Ltd - General Manager - Legal & Company Secretary	NIL
5	Suman Ranjan Sensarma	Vice President	34,95,133	Master of Planning, Doctor of Engineering	21	49	01.10.2018	KPMG Advisory Services Pvt Ltd. - Associate Director	Negligible
6	Vishnu Gopal Agarwal	Financial Controller & CCO	33,66,130	FCA, ACS	22	45	01.08.2006	TATA AIG Life Insurance Co, Ltd. - Zonal Compliance Manager	Negligible
7	Sudipta Mitra	Associate Vice President	20,74,535	BE, PGDM		45	07-04-2015	IL & FS Infrastructure Development Corporation Limited - Manager	NIL
8	Sanjay Kumar	Chief Manager	19,86,269	B Tech (Civil)	21	43	09.01.2012	Mott MacDonald Pvt. Ltd. - Engineer	NIL
9	Abhijit Mandal	Associate Vice President	16,62,863	BE, ME		40	24-07-2017	Rudrabhishek Enterprises Pvt. Ltd - Senior Manager	NIL
10	Neeraj Kumar Singh	Associate Vice President	16,52,240	B.Tech, MBA		48	01-07-2015	IIDC Limited - AVP	NIL

### Notes:

- The Reserve Bank of India ("RBI") vide Press Release dated October 04, 2021 superseded the Board of Directors of the Company and appointed Mr. Rajneesh Sharma as the Administrator of the Company in terms of Section 45-IE of the Reserve Bank of India Act, 1934 (RBI Act) with immediate effect. The Administrator was also vested with powers of the Board of Directors of the Company, pursuant to the above and as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC Code / the Code). Accordingly the remuneration of Directors have been considered till October 03, 2021 (Pre CIRP) period.
- Remuneration includes Basic Salary, House Rent Allowance (HRA), Special Allowance, Super Annuation Allowance, Commission, Ex-gratia, Leave Travel Allowance (LTA), Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to National Pension Scheme (NPS), Incentives and other Perquisites.
- Nature of Employment and duties: Contractual and in accordance with terms and conditions as per Company's rules and policies.
- No employee is a relative of any Director except Mr. Hemant Kanoria (Chairman) who is brother of Mr. Sunil Kanoria (Non-Executive Director & Vice Chairman).
- Mr. Rakesh Kumar Bhutoria resigned from the post of Chief Executive Officer (CEO) of the Company, w.e.f. September 15, 2021
- Mr. Sandeep Kumar Sultania, resigned from the post of Chief Financial Officer (CFO) of the Company, w.e.f. December 07, 2021

On behalf of the Srei Infrastructure Finance Limited

Sd/-  
Rajneesh Sharma  
Administrator

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

Date : September 06, 2022  
Place : Kolkata



## CEO\* & CFO Certification

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

Date: 27th May, 2022

**The Corporate Governance and Audit Committee  
Srei Infrastructure Finance Limited**

'Vishwakarma'  
86C, Topsia Road (South)  
Kolkata – 700 046

We, Sourendranath Mukhopadhyay, Deputy Chief Executive Officer and Manoj Kumar, Company Secretary and Chief Financial Officer (CFO) of Srei Infrastructure Finance Limited, hereby certify to the Corporate Governance and Audit Committee that we have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended on 31st March, 2022 and to the best of our knowledge and belief, declare that –

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

**Sourendranath Mukhopadhyay**  
Deputy Chief Executive Officer

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

\*In the absence of Designated CEO, Mr. Sourendranath Mukhopadhyay, Deputy CEO of the Company, is signing this certificate.

# Corporate Governance Compliance Certificate

To,  
**The Members,**  
**Srei Infrastructure Finance Limited**

We have examined the compliance of conditions of Corporate Governance by **SREI INFRASTRUCTURE FINANCE LIMITED** ('the Company') for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Reserve Bank of India (RBI) vide its Press Release dated October 04, 2021 and in exercise of the powers conferred under Section 45-IE (1) of the RBI Act 1934, has superseded the Board of Directors ('Board') of the Company owing to governance concerns and defaults by your Company and Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of the Company, in meeting various payment obligations and appointed Mr. Rajneesh Sharma, Ex- Chief General Manager, Bank of Baroda as Administrator of the Company, thereafter, RBI vide its Press Release dated October 04, 2021 in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties. Further, RBI has filed an application under the provisions of the Insolvency and Bankruptcy Code, 2016 ('IBC') read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Rules'), the National Company Law Tribunal, Kolkata Bench ('NCLT'), vide Order dated October 08, 2021, ordered commencement of Corporate Insolvency Resolution Process ('CIRP') of the Company, with effect from the same date. NCLT has appointed Administrator as the resolution professional to discharge the functions of the resolution professional under IBC and other rules, and regulations, as may be applicable and confirmed that the Advisory Committee shall continue as the advisory committee required to be constituted under Rule 5 (c) of the IBC Rules.

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

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

- a) The Company was delayed in the filing of Standalone and Consolidated Financial Results and related disclosure of the Company for the Quarter and Half-Year ended on 30th September, 2021 in accordance to regulation 33 of SEBI Listing Obligations and Disclosure Requirements, 2015.
- b) As per Regulation 17(8) of SEBI LODR Regulations, 2015, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) shall provide the compliance certificate to the Board of Directors as specified in Part B of Schedule II in LODR Regulations, 2015, whereas the same has been provided by Deputy CEO and Company Secretary and Chief Financial Officer of the Company.
- c) As per Para D of Schedule V a declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management, whereas the same has been signed by Company Secretary and Chief Compliance Officer.

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

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

**For Dhiraj & Co.**

Company Secretaries in Practice  
Firm Reg. No. : S2017DE539800

Sd/-

**Dhirendra Kumar Dhiraj**  
(Proprietor)

Membership No.: A52509  
UDIN: A052509D000770226

Place : Delhi  
Date : 09/08/2022



# Report on Corporate Governance

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

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

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

The Company's equity shares are presently listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Company is in compliance with the Corporate Governance Code as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"). Details of compliances pursuant to the SEBI Listing Regulations, 2015 for the year ended March 31, 2022 are provided below:

## A. MANDATORY REQUIREMENTS

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

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

### 2. Board of Directors

The Reserve Bank of India (RBI) vide Press Release dated October 04, 2021 in exercise of the powers conferred under Section 45-IE(1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on October 04, 2021 owing to governance concerns and defaults by your Company in meeting various payment obligations and appointed Mr. Rajneesh Sharma, as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated October 11, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all

stakeholders of your Company through a successful resolution. Since the Administrator also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the administrator in fulfilment of this role and responsibilities. The Advisory Committee consisted of Shri R. Subramaniakumar, former MD & CEO, Indian Overseas Bank, Shri T T Srinivasaraghavan, former Managing Director, Sundaram Finance Limited and Shri Farokh N Subedar, former Chief Operating Officer and Company Secretary, Tata Sons Limited as members. The Committee was reconstituted on June 22, 2022 by the induction of Shri Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India consequent upon resignation of Shri R. Subramaniakumar. On October 08, 2021, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT/Adjudicating Authority) under Section 227 read with clause Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate Corporate Insolvency Resolution Process (CIRP) against your Company. Thereafter, CIRP was initiated against your Company by an Order dated October 8, 2021 of the Hon'ble NCLT. The Hon'ble NCLT, vide the said order, confirmed the appointment of the Administrator to perform the functions of an interim resolution professional / resolution professional to complete the CIRP of your Company as required under the provisions of the Code and also announced commencement of the moratorium under Section 14 of the Code with effect from October 08, 2021. Further details in respect of CIRP of your Company are provided in the Board's Report (Report by the Administrator).

During the year, prior to the supersession of the Board of Directors of your Company by Reserve Bank of India (RBI) on October 04, 2021, the Board comprised of 7 (seven) Directors with an optimal combination of Executive, Non-Executive and Independent Directors, including Women Directors. Majority of the Board comprised of Independent Directors.

#### • Meetings

During the financial year 2021-22, prior to supersession of the Board by RBI, 6 (six) meetings of the Board of Directors were held on April 01, 2021, April 23, 2021, May 21, 2021, June 07, 2021, June 30, 2021 and August 14, 2021.

The Company has framed a Policy on Board Diversity which sets out the approach of diversification on the Board of Directors of the Company. The said Policy is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Policy\\_on\\_Board\\_Diversity.pdf](https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf).

Pursuant to the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 issued by the Reserve Bank of India (RBI), all applicable NBFCs shall frame their internal guidelines on corporate governance with the approval of the Board of Directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's website, if any, for the information of various stakeholders. Accordingly, the Board of Directors of the Company have approved and adopted the Corporate Governance Framework for the Company in accordance with the RBI Directions. Further, a Certificate confirming compliance w.r.t. conformity with Corporate Governance Standards as envisaged in the said Directions is placed before the Board for noting. The Company's Corporate Governance Framework is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Corporate\\_Governance\\_Framework.pdf](https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf).

The Reserve Bank of India (RBI) vide Press Release dated October 04, 2021 in exercise of the powers conferred under Section 45-IE(1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on October 04, 2021 owing to governance concerns and defaults by your Company in meeting various payment obligations. Prior to supersession of the Board of Directors of your Company by RBI, the

composition of the Board of Directors as on October 04, 2021 was in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015. The details of the Board of Directors as on October 04, 2021 its composition and meetings held along with the attendance of each erstwhile Director at the respective Board Meetings and last Annual General Meeting are as under:

Sl. No.	Directors	DIN	Category	No. of Board meetings during the tenure of the Director		Attendance at the last AGM held on September 25, 2021
				Held	Attended	
1.	Mr. Hemant Kanoria(Chairman)	00193015	Executive(Promoter)	6	5	Yes
2.	Mr. Sunil Kanoria (Vice Chairman)	00421564	Non-Executive	6	6	Yes
3.	Mr. Srinivasachari Rajagopal*	00022609	Independent	4	4	-
4.	Mr. Shyamalendu Chatterjee	00048249	Independent	6	6	Yes
5.	Dr. (Mrs.) Punita Kumar Sinha	05229262	Independent	6	6	Yes
6.	Mr. Ram Krishna Agarwal**	00416964	Independent	6	6	-
7.	Mr. Malay Mukherjee	02272425	Independent	6	6	Yes
8.	Dr. (Mrs.) Tamali Sengupta	00358658	Independent	6	6	Yes
9.	Dr. (Mrs.) Deepali Pant Rajeev Joshi#	07139051	Independent	2	2	-

\*Resigned from the position of Independent Director of the Company with effect from close of business hours of June 30, 2021 due to his other pre-occupation and personal commitments and there are no other material reasons other than those provided as confirmed by the Director.

\*\* Resigned from the position of Independent Director of the Company with effect from close of business hours on September 17, 2021 due to his other pre-occupation and personal commitments and there are no other material reasons other than those provided as confirmed by the Director.

#Appointed as an Additional Director (Category: Non-Executive & Independent) w.e.f. June 30, 2021.

The following table gives the number of outside directorships and the Committee positions held by each of the erstwhile Directors as on October 04, 2021:

Directors	No. of Directorship in other Companies (other than Srei Infrastructure Finance Limited)		No. of Committee positions held in Indian Public Limited Companies (other than Srei Infrastructure Finance Limited)###	
	Indian Public Limited Companies#	Others##	Chairman	Member
Mr. Hemant Kanoria	-	-	-	-
Mr. Sunil Kanoria	-	-	-	1
Mr. Srinivasachari Rajagopal*	10	2	-	6
Mr. Shyamalendu Chatterjee	3	-	-	2
Dr.(Mrs.) Punita Kumar Sinha	10	2	3	10
Mr. Ram Krishna Agarwal**	5	1	3	4
Mr. Malay Mukherjee	5	2	1	3
Dr.(Mrs.) Tamali Sengupta	4	1	1	3
Dr. (Mrs.) Deepali Pant Rajeev Joshi#	4	-	-	2

The Reserve Bank of India (RBI) has superseded the Board of Directors of your Company with effect from October 04, 2021 and has appointed Mr. Rajneesh Sharma as the Administrator of your Company. The details in the above table and the notes thereon are provided subject to the disclaimer that the said details are based on information received from erstwhile Directors prior to supersession of the Board of Directors by RBI.

#Includes Directorships in private companies that are either holding or subsidiary company of a public company held by erstwhile Directors

##Includes Directorships held by erstwhile Directors in private limited companies (other than private companies that are either holding or subsidiary company of a public company) and excludes foreign entities, companies under Section 8 of the Companies Act, 2013, alternate Directorship, Directorship/Membership of Managing Committees of various Chambers/Institutions/Universities and proprietorship of firms

###Includes only Audit Committee and Stakeholders Relationship Committee of Indian public limited companies, whether listed or not. The number of membership includes the number of chairmanships then held by the erstwhile Director

\*Resigned w.e.f. the close of business hours of June 30, 2021

\*\*Resigned w.e.f. the close of business hours of September 17, 2021

#Appointed as an Additional Director (Category: Non-Executive & Independent) w.e.f. June 30, 2021

The erstwhile Directors of the Company are also directors in various other Listed entities as under:

Directors	Names of the Indian Listed entities (equity) where the Director is a director (other than Srei Infrastructure Finance Limited)*	Category of directorship
Mr. Hemant Kanoria	-	-
Mr. Sunil Kanoria	-	-
Mr. Srinivasachari Rajagopal#	-	-
Mr. Shyamalendu Chatterjee	-	-
Dr. (Mrs.) Punita Kumar Sinha	1. JSW Steel Limited 2. Rallis India Limited 3. Lupin Limited 4. Fino Payments Bank Limited	Independent Independent Independent Independent
Mr. Ram Krishna Agarwal##	1. Cigniti Technologies Limited 2. PCBL Limited	Independent Independent
Mr. Malay Mukherjee	1. Dilip Buildcon Limited	Independent
Dr. (Mrs.) Tamali Sengupta	1. HFCL Limited 2. Asian Hotels (West) Limited	Independent Independent
Dr. (Mrs.) Deepali Pant Rajeev Joshi@	-	-

The Reserve Bank of India (RBI) has superseded the Board of Directors of your Company with effect from October 04, 2021 and has appointed Mr. Rajneesh Sharma as the Administrator of your Company. The details in the above table and the notes thereon are provided subject to the disclaimer that the said details are based on information received from erstwhile Directors prior to supersession of the Board of Directors by RBI.

\*Listed entities have been identified from confirmations / declarations received from respective erstwhile Directors and Corporate Identification Number (CIN) as available on the Ministry of Corporate Affairs (MCA) website for companies and exclude directorship(s) in foreign listed entities. Further, listed entities include only those entities whose equity shares are listed on a stock exchange as per Regulation 17A of SEBI Listing Regulations, 2015.

#Resigned w.e.f. the close of business hours of June 30, 2021.

##Resigned w.e.f. the close of business hours of September 17, 2021

@Appointed as an Additional Director (Category: Non-Executive & Independent) w.e.f. June 30, 2021.

Except Mr. Hemant Kanoria and Mr. Sunil Kanoria (being brothers), no erstwhile Director of the Company was related to any other Director on the Board.

#### Shareholding of Directors & Key Managerial Personnel (KMPs)

Mr. Hemant Kanoria (Promoter and erstwhile Chairman) and Mr. Sunil Kanoria erstwhile Vice Chairman hold 3,80,000 and 18,02,714 equity shares in the Company, respectively, as on March 31, 2022. None of the other erstwhile Directors hold any equity shares in the Company.

Mr. Manoj Kumar was appointed as the Company Secretary and Compliance Officer (being KMP) of the Company w.e.f. April 01, 2021.

Mr. Manoj Kumar does not hold any equity shares of the Company.

#### Appointment of Directors

The Board has formulated the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The Nomination and Remuneration Policy is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf).

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board had approved a policy on Fit and Proper Criteria of Directors in accordance with the RBI Directions for the purposes of determining whether a Director is fit and proper to hold such position.

#### Independent Directors (IDs)

Prior to the supersession of the Board of your Company by RBI on October 04, 2021, the Company had 5 (Five) Independent Directors on its Board out of the total strength of 7 (Seven) Directors.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, 2015. All requisite declarations were presented before the erstwhile Board.

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

Pursuant to the provisions of the Companies Act, 2013, as a matter of practice, your Company has been conforming to the Secretarial Standard on the meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

#### Meeting of Independent Directors (IDs)

As stated earlier in this Report, the RBI had superseded the Board of Directors of your Company with effect from October 04, 2021. Prior to the said supersession, the Independent Directors (IDs) met on June 19, 2021 without the presence of erstwhile Non-Independent Directors and the Management Team. The meeting was attended by all the erstwhile Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board.

#### Familiarisation Programme for IDs

Prior to the supersession of the Board by the RBI on October 04, 2021 the Company conducted Familiarisation Programme for Independent Directors (IDs) to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information in terms of Regulation 25(7) of SEBI Listing Regulations, 2015, Further, pursuant to Regulation 46 of SEBI Listing Regulations, 2015, the Company disseminated on its website, details of familiarisation programme imparted to IDs including the details of i) number of programmes attended by IDs (during the year and on a cumulative basis till date), ii) number of hours spent by IDs in such programmes (during the year and on a cumulative basis till date), and iii) other relevant details.

Prior to the supersession of the Board by RBI on October 04, 2021, 3 (Three) such specific familiarisation programmes were conducted on June 19, 2021. As a part of the first programme, Summary of Codes and Policies – Key Highlights & Key Changes during the Financial Year 2020-21 was circulated to the Independent Directors and was also deliberated upon. As a part of the second programme, a presentation on the recent regulatory updates by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and the Ministry of Corporate Affairs (MCA) was circulated to the Independent Directors and was also deliberated upon. As a part of the third programme, a presentation on review of the business activities and performance of the Company during the Financial Year 2020-21 and the business strategy of the Company for the Financial Year 2021-22 was circulated to the Independent Directors and was also deliberated upon.

All Directors attended the familiarisation programmes as these are scheduled to coincide with the Board meeting calendar to give them an opportunity to attend.

Prior to the supersession of the Board by the RBI on October 4, 2021, at the time of appointment, a new Director was given an Induction Kit containing inter-alia the Organization Chart, brief profile of all Directors and Key Managerial Personnel (KMPs), Policy Compendium, Investor Presentation, Investor call transcripts amongst others.

The details of familiarization programmes imparted to Independent Directors, as required under Regulation 46 of SEBI Listing Regulations, 2015, are available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf).

### Performance Evaluation

Prior to the supersession of the Board of Directors of your Company by the RBI on October 4, 2021, the Nomination and Remuneration Committee (NRC) of the Company formulated and laid down the criteria and manner for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors, Chairman and Non-Independent

Non-Executive Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015.

The Company followed the practice of evaluation of the Board of Directors as follows, covering inter-alia the following parameters namely:

- i) For Board Evaluation – degree of fulfillment of key responsibilities; Board culture and dynamics, amongst others.
- ii) Board Committee Evaluation – effectiveness of meetings; Committee dynamics, amongst others.
- iii) Individual Director Evaluation (including Chairman, Independent Directors and Non-Independent Non-Executive Directors) – Attendance, Contribution at Board Meetings, Guidance/support to management outside Board/Committee meetings, etc.

Further, the Chairman is additionally evaluated on key aspects of his role which includes inter-alia effective leadership to the Board, adequate guidance to the CEOs, etc. Independent Directors are additionally evaluated based on fulfillment of Independence criteria as specified in SEBI Listing Regulations, 2015 and Companies Act, 2013 and their independence from the management.

The evaluation of the performance of erstwhile Individual Directors, Board and its Committees could not be held during or for the financial year 2021-22 as the Board was superseded by the Reserve Bank of India (RBI) on October 04, 2021, as stated herein.

### Key skills/expertise/competence of the Board of Directors

The table below summarizes the list of core skills/ expertise/ competencies identified by the erstwhile Board of Directors of your Company as is required in the context of the Company's business(es) and sector(s) for it to function effectively:

Skills/ Expertise/Competencies	Details
Behavioural	Fulfilling a director's duties and responsibilities, putting the organisation's interests before personal interests, acting ethically, active contributor, collaborative, performance oriented and professional.
Financial	Qualifications and/or experience in accounting and / or finance and the ability to analyse key financial statements, Leadership of a financial firm or management of the finance function of an expertise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, auditor or person performing similar functions.
Diversity	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of the Company's customers, partners, employees, governments, and other stakeholders worldwide.
Industry	Experience in the financial services sector in which the Company operates. Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Technology	Significant backgrounds in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.
Strategic Expertise	Ability to understand, critically assess and review business strategies including acquisitions and other business combinations.
Board service and governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.

Since, your Company does not have Board of Directors as on March 31, 2022 consequent to its supersession by RBI on October 04, 2021, it cannot be ascertained that the above mentioned skills / expertise / competencies were available with the erstwhile Directors of the Company.

### • Board Committees

Prior to the supersession of the Board of Directors of your Company by RBI on October 04, 2021 the Board had various Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Committee of Directors, Risk Committee, Credit and Investment Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Business Responsibility Committee, IT Strategy Committee and Governance Committee in addition to few internal Committees.

During the Financial Year 2021- 22, the Board of Directors of your Company prior to its supersession by RBI, accepted all the recommendations, wherever mandatory, as given by its Committees.

The composition, role, meetings and other information of each of the Committees of the Board prior to the supersession of the Board by the RBI on October 04, 2022 is detailed herein below:



### Audit Committee

The composition, role, meetings and other information of Audit Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below:

All the Members of the Audit Committee during the period from April 01, 2021 to October 04, 2021 had the required qualification and expertise for appointment on the Committee and possessed the requisite accounting and related financial management expertise.

- Terms of Reference, Composition, Name of Members and Chairman

The Audit Committee was constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. The Audit Committee, prior to the supersession of the Board of Directors of your Company by RBI on October 04, 2021, comprised of 3 (three) Directors as on October 04, 2021:

1. Mr. Malay Mukherjee, Independent Director;
2. Dr. (Mrs.) Tamali Sengupta, Independent Director; and
3. Dr. (Mrs.) Deepali Pant Rajeev Joshi, Independent Director

All the Members of the Audit Committee during the period from April 01, 2021 to October 04, 2021 were financially literate and had accounting or related financial management expertise. The Head of Internal Audit Department, the Chief Financial Officer (CFO) and the Chief Executive Officer (CEO) attended the meetings of the Audit Committee. Mr. Manoj Kumar, the Company Secretary of the Company acted as the Secretary to the Committee. The Statutory Auditors of the Company were invited to attend the Audit Committee meetings. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee.

The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism, review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Listing Regulations, 2015.

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

Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor (including all entities in the network firm/network entity of which the Statutory Auditor is a part) during the Financial Year 2021-22, are as follows:

Particulars	2021-22	
	Haribhakti & Co. LLP & J Kala & Associates	D. K. Chhajer & Co.
Entity name	SEFL	SIFL
Audit Fees	175.00	35.00
Certification fees and others	125.00	3.18
<b>TOTAL</b>	<b>300.00</b>	<b>38.18</b>

(₹ in Lacs)

- Meetings and attendance during the year

During the financial year 2021-22, 2 (Two) meetings of the Audit Committee were held on June 30, 2021 and August 14, 2021 before the Board was superseded on October 04, 2021.

Further, during the Financial Year 2021-22, 1 (one) circular resolution was approved by the Audit Committee of the Company on May 26, 2021.

The attendance of each member of the Committee during the financial year 2021-22 till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Malay Mukherjee	2	2
Mr. Srinivasachari Rajagopal*	1	1
Mr. Ram Krishna Agarwal**	2	2
Mr. Sunil Kanoria#	-	-
Dr. (Mrs.) Tamali Sengupta##	1	1
Dr. (Mrs.) Deepali Pant Rajeev Joshi@	-	-

\*Ceased to be Member w.e.f. June 30, 2021

\*\*Ceased to be Member w.e.f. September 17, 2021

#Ceased to be Member w.e.f. April 23, 2021

##Inducted as Member w.e.f. June 30, 2021

@Inducted as Member w.e.f. September 22, 2021

### Nomination and Remuneration Committee

The composition, role, meetings and other information of Nomination and Remuneration Committee prior to the supersession of the Board of Directors of your Company by the

RBI on October 04, 2021 is detailed herein below:

The Nomination and Remuneration Committee had been constituted as per the Companies Act, 2013, SEBI Listing Regulations.

- Terms of Reference, Composition, Name of Members and Chairman

The Nomination and Remuneration Committee was constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Nomination and Remuneration Committee, prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021, comprised of 3 (three) Independent Directors as on October 04, 2021:

1. Mr. Malay Mukherjee;
2. Dr. (Mrs.) Punita Kumar Sinha; and
3. Mr. Shyamalendu Chatterjee

Mr. Manoj Kumar, the Company Secretary of the Company acted as the Secretary to the Committee. Prior to the supersession of the Board of Directors of your Company by RBI, the Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensures 'fit and proper' status of the existing/proposed Directors of the Company in accordance with Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, identifies the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommends

to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI Listing Regulations, 2015.

- Meetings and attendance during the financial year 2021-22 till October 04, 2021:

During the financial year 2021-22, 4 (Four) meetings of the Nomination and Remuneration Committee of the Company were held on April 01, 2021, May 13, 2021, June 30, 2021 and August 14, 2021 before the Board was superseded on October 04, 2021

Further, 1 (one) circular resolution was passed by the Members of the Committee on May 25, 2021.

The attendance of each member of the Committee during the financial year 2021-22 till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee*	2	1
Mr. S. Rajagopal**	3	3
Mr. Malay Mukherjee#	4	4
Dr. (Mrs.) Punita Kumar Sinha	4	4

\*Inducted as Member w.e.f. June 30, 2021

\*\*Ceased to be Chairman & Member w.e.f. June 30, 2021

#Designated as Chairman w.e.f. June 30, 2021

The Nomination and Remuneration Committee at its said meetings discussed and approved various matters delineated in its Terms of Reference including Performance Evaluation of Directors, Re-appointment of Directors consequent to expiry of first term as Independent Directors, Payment of Commission to Directors, revision of the Nomination and Remuneration Policy, Succession Plan etc. The Nomination and Remuneration Policy is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf)

### Stakeholders Relationship Committee

The composition, role, meetings and other information of Stakeholders' Relationship Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below:

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Terms of Reference, Composition, Name of Members and Chairman

The Stakeholders Relationship Committee was constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, 2015. Prior to the supersession of the Board of Directors of your Company by RBI on October, 04, 2021, the Stakeholders Relationship Committee comprised of 3 (three) Independent Directors as on October 04, 2021:

- Mr. Shyamalendu Chatterjee
- Mr. Malay Mukherjee
- Dr. (Mrs.) Deepali Pant Rajeev Joshi

Mr. Manoj Kumar, the Company Secretary of the Company acted as the Secretary to the Committee and was assigned with the responsibilities of overseeing investor grievances. The Committee used to oversee and review redressal of shareholder and investor grievances, transfer & transmission of

securities, issue of duplicate share/security certificates, exchange of new design share/security certificates, recording dematerialisation & rematerialisation of securities, deal with matters relating to Srei Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters. The Stakeholders Relationship Committee met at regular intervals to take note of share transfer and other matters.

- Meetings and attendance during the year

During the year 2021-22, the Stakeholders Relationship Committee met 3 (Three) times on May 13, 2021, July 07, 2021 and September 01, 2021 before the Board was superseded on October 04, 2021.

Further, 2 (two) circular resolutions were passed by the Members of the Committee on June 08, 2021 and June 24, 2021.

The attendance of each member of the Committee during the financial year 2021-22 till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee*	2	2
Mr. Ram Krishna Agarwal**	3	3
Mr. Malay Mukherjee	3	3
Mr. S. Rajagopal#	1	1
Dr. (Mrs.) Deepali Pant Rajeev Joshi##	-	-

\*Inducted as Member w.e.f. June 30, 2021

\*\*Ceased to be Chairman & Member w.e.f. September 17, 2021

#Ceased to be Member w.e.f. June 30, 2021

##Inducted as Member w.e.f. September 22, 2021

Total number of shares physically transferred during the year 2021-22 was NIL shares compared to NIL shares during the year 2020-21.

- Status of Investors' Complaints for Equity Shares and Debentures/Bonds

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

Details of Investor Complaints received and resolved by the Company during the financial year ended March 31, 2022 is tabulated below:

Investor Complaints	Received (Nos.)	Resolved (Nos.)	Pending at the end of the financial year (Nos.)
From SEBI (SCORES)			
• Equity	-	-	-
• Debt	25	25	Nil
From Stock Exchanges			
• Equity	-	-	-
• Debt	39	39	Nil
Ministry of Corporate Affairs (MCA)			
• Equity	-	-	-
• Debt	-	-	-
Others (Received by RTA)			
• Equity	52	52	Nil
• Debt	-	-	-

BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have furnished separate confirmations that there are no investor complaints pending against the Company as on March 31, 2022.

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

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

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

#### Corporate Social Responsibility Committee

The composition, role, meetings and other information of CSR Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below.

The Corporate Social Responsibility Committee of the Board was constituted as required under the provisions of the Companies Act, 2013.

- Terms of Reference, Composition, Name of Members and Chairman

The Corporate Social Responsibility Committee was constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee, prior to the supersession of the Board of Directors of your Company by RBI on October 04, 2021 comprised of 3 (three) Directors till October 04, 2021:

1. Dr. (Mrs.) Deepali Pant Rajeev Joshi, Chairman
2. Dr. (Mrs.) Punita Kumar Sinha, Independent Director; and
3. Dr. (Mrs.) Tamali Sengupta, Independent Director

Mr. Manoj Kumar, Company Secretary of the Company acted as the Secretary to the Committee. The Committee was responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Company's CSR Policy is available on the Company's website at [https://www.srei.com/pdf/Corporate\\_Social\\_Responsibility\\_CSR\\_Policy.pdf](https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf).

- Meetings and attendance during the year

During the financial year 2021-22, 1 (One) meeting of the Corporate Social Responsibility Committee of the Company was held on June 16, 2021 before the Board was superseded on October 04, 2021.

The attendance of each member of the Committee during the financial year 2021-22 till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria*	-	-
Mr. Ram Krishna Agarwal**	1	1
Dr. (Mrs.) Punita Kumar Sinha	1	1
Dr. (Mrs.) Tamali Sengupta#	1	1
Dr. (Mrs.) Deepali Pant Rajeev Joshi##	-	-

\*Ceased to be Member w.e.f. April 23, 2021

\*\*Designated as Chairman w.e.f. April 23, 2021 & Ceased to be Member w.e.f. September 17, 2021

#Inducted as Member w.e.f. April 23, 2021

##Inducted as Chairman & Member w.e.f. September 22, 2021

#### Committee of Directors

The composition, role, meetings and other information of the Committee of Directors prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below.

- Terms of Reference, Composition, Name of Members and Chairman

The Committee of Directors, prior to the supersession of the Board of Directors of your Company by RBI on October 04, 2021 comprised of 3 (three) Directors as on October 04, 2021:

1. Mr. Shyamalendu Chatterjee, Independent Director;
2. Dr. (Mrs.) Tamali Sengupta, Independent Director; and
3. Dr. (Mrs.) Deepali Pant Rajeev Joshi, Independent Director

Mr. Manoj Kumar, the Company Secretary of the Company acted as the Secretary to the Committee. The Terms of Reference of this Committee includes oversight of banking and borrowing related matters, to authorise the Company officials for signing various agreements, deeds and documents etc., to consider, approve and submit various Bid documents etc. for promotion, investment, joint venture and/or expression etc. of business of the Company in the Infrastructure sector, amongst others.

- Meetings and attendance during the year

During the financial year 2021-22, 1 (One) Meeting of the Committee of Directors of the Company was held on August 05, 2021 before the Board was superseded on October 04, 2021.

The attendance of each member of the Committee during the financial year 2021-22 till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria*	-	-
Mr. Sunil Kanoria**	-	-
Mr. Shyamalendu Chatterjee#	1	1
Mr. S. Rajagopal###	-	-
Dr. (Mrs.) Tamali Sengupta@	1	1
Dr. (Mrs.) Deepali Pant Rajeev Joshi@@	1	1

\*Ceased to be Member & Chairman w.e.f. April 23, 2021

\*\*Ceased to be Member w.e.f. April 23, 2021

#Designated as Chariman w.e.f. April 23, 2021

##Inducted as Member w.e.f. April 23, 2021 and Ceased to be Member w.e.f. June 30, 2021

@Inducted as Member w.e.f. April 23, 2021

@@Inducted as Member w.e.f. June 30, 2021

### Credit and Investment Committee

The composition, role, meetings and other information of the Credit and Investment Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below.

- Terms of Reference, Composition, Name of Members and Chairman

The Credit and Investment Committee was constituted by the Board of Directors of the Company by consolidating the erstwhile Credit Committee and Investment Committee of the Company w.e.f. August 01, 2020. Prior to the supersession of the Board of Directors of your Company by RBI on October 04, 2021, the Credit and Investment Committee comprised of 3 (three) Directors as on October 04, 2021:

1. Mr. Malay Mukherjee, Independent Director;
2. Mr. Shyamalendu Chatterjee; and
3. Dr. (Mrs.) Tamali Sengupta

The Terms of Reference of this Committee includes oversight of all Credit related matters, to give guarantees, letter of comforts, undertakings, indemnities, lien, pledge of securities, etc. on behalf of the Company, to consider, approve and adopt various policies or guidelines or code for the Company and make modifications thereto from time to time, to take decision in connection with any matter under Insolvency & Bankruptcy Code, 2016, to consider, authorise and approve all investment related matters of the Company in accordance with the Investment Policy of the Company etc.

During the year 2021-22, 3 (Three) meetings of the Credit and Investment Committee (CIC) of the Company were held on April 17, 2021, July 02, 2021 and September 01, 2021 before the Board was superseded by the RBI on October 04, 2021

The attendance of each member of the Credit and Investment Committee during the financial year 2021-22 till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Malay Mukherjee	3	3
Mr. Hemant Kanoria*	1	1
Mr. Sunil Kanoria**	1	1
Mr. Shyamalendu Chatterjee#	2	2
Dr. (Mrs.) Tamali Sengupta##	2	2

\*Ceased to be Member w.e.f. April 23, 2021

\*\*Ceased to be Member w.e.f. April 23, 2021

#Inducted as Member w.e.f. April 23, 2021

##Inducted as Member w.e.f. April 23, 2021

### Risk Committee

The composition, role, meetings and other information of the Risk Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below.

- Terms of Reference, Composition, Name of Members and Chairman

The Risk Committee, prior to the supersession of the Board of Directors of your Company on October 04, 2021, comprised of 3 (three) Independent Directors as on October 04, 2021:

1. Dr. (Mrs.) Deepali Pant Rajeev Joshi;
2. Mr. Malay Mukherjee; and
3. Dr. (Mrs.) Punita Kumar Sinha.

The Terms of Reference of this Committee includes to identify and assess various risks across all entities in the Group and to suggest measures to minimise and/or mitigate the significant risks.

- Meetings and attendance during the year

2 (Two) meetings of the Risk Committee of the Company were held during the year 2021-22 on April 07, 2021 and August 08, 2021 before the Board was superseded on October 04, 2021:

The attendance of each member of the Committee during the financial year 2021-22 till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. S. Rajagopal*	1	1
Mr. Malay Mukherjee	2	2
Dr. (Mrs.) Punita Kumar Sinha	2	2
Dr. (Mrs.) Deepali Pant Rajeev Joshi**	1	1

\*Ceased to be Chairman & Member w.e.f. June 30, 2021

\*\*Inducted as Member & Designated as Chairman w.e.f. June 30, 2021

### Business Responsibility Committee

The composition, role, meetings and other information of the Business Responsibility Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below.

- Terms of Reference, Composition, Name of Members and Chairman

The Business Responsibility Committee was constituted in line with the provisions of Regulation 34 of SEBI Listing Regulations, 2015. The Business Responsibility Committee, prior to the supersession of the Board by RBI on October 04, 2021, comprised of 2 (two) Independent Directors and 2 (two) Company Executives.

1. Mr. Ram Krishna Agarwal, Independent Director;
2. Mr. Malay Mukherjee, Independent Director;
3. Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO); and
4. Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO).

Mr. Manoj Kumar, the Company Secretary of the Company acted as the Secretary to the Committee. The Terms of Reference of this Committee includes to oversee the matters concerning the Business Responsibility Policy formulation & implementation, principles of responsible business and guidance and report/intimate any deviation to the Board; to review and decide on any matter concerning applicability, interpretation, operation and implementation of the Business Responsibility Policy; to formulate a system for grievance redressal mechanism related to the Business Responsibility Policy etc.

- Meetings and attendance during the year

During the year 2021-22, 1 (One) meeting of the Business Responsibility Committee of the Company was held on May 13, 2021 before the Board was superseded on October 04, 2021:

The attendance of each member of the Committee during the financial year 2021-22 till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Ram Krishna Agarwal	1	1
Mr. Malay Mukherjee	1	1
Mr. Rakesh Kumar Bhutoria	1	1
Mr. Sandeep Kumar Sultania	1	1



### Asset Liability Management (ALM) Committee

The composition, role, meetings and other information of the Asset Liability Management Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below.

- Terms of Reference, Composition, Name of Members and Chairman

The Asset Liability Management (ALM) Committee, prior to the supersession of the Board of Directors of your Company by RBI on October 04, 2021, comprised of 4 (four) Directors as on October 04, 2021:

1. Mr. Hemant Kanoria, Chairman (Executive);
2. Mr. Malay Mukherjee, Independent Director;
3. Mr. Ram Krishna Agarwal, Independent Director; and
4. Dr. (Mrs.) Punita Kumar Sinha, Independent Director.

The Terms of Reference of this Committee includes review of liquidity position of the Company in various time buckets, review of Interest rate scenario including Srei Benchmark Rate (SBR) etc.

- Meetings and attendance till October 04, 2021:

During the year 2021-22, 1 (One) Meeting of the ALM Committee of the Company was held on July 02, 2021 before the Board was superseded on October 04, 2021:

The attendance of each member of the Committee till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	1	1
Mr. Malay Mukherjee	1	1
Mr. Ram Krishna Agarwal	1	1
Dr. (Mrs.) Punita Kumar Sinha	1	1

### IT Strategy Committee

The composition, role, meetings and other information of the IT Strategy Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below.

- Terms of Reference, Composition, Name of Members and Chairman

The IT Strategy Committee was constituted in line with the requirements of the Reserve Bank of India Master Direction – Information Technology Framework for the NBFC Sector. The IT Strategy Committee, before the supersession of the Board of Directors of your Company by RBI on October 04, 2021, comprised of 2 (Two) Directors and 2 (Two) Company Executives:

1. Mr. Malay Mukherjee; Independent Director;
2. Mr. Ram Krishna Agarwal, Independent Director;
3. Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO); and
4. Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO)

The Terms of Reference of this Committee includes to provide input to other Board committees and Senior Management regarding IT Strategies and its implementation, to carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements to ensure proper balance of IT investments for sustaining growth and instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner.

- Meetings and attendance during the year

During the year 2021-22, 1 (One) meeting of the IT Strategy Committee of the Company was held on June 29, 2021, before the Board was superseded on October 04, 2021:

The attendance of each member of the Committee till October 04, 2021 is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Malay Mukherjee	1	1
Mr. Sunil Kanoria*	-	-
Mr. Yogesh Kajaria*	-	-
Mr. Ram Krishna Agarwal	1	1
Mr. Rakesh Kumar Bhutoria	1	1
Mr. Sandeep Kumar Sultania	1	1

\*Ceased to be Member w.e.f. April 23, 2021

### Governance Committee

The composition, role, meetings and other information of the Governance Committee prior to the supersession of the Board of Directors of your Company by the RBI on October 04, 2021 is detailed herein below.

- Terms of Reference, Composition, Name of Members and Chairman

The Governance Committee was constituted pursuant to the provisions of Circular dated May 10, 2018 issued by the Securities and Exchange Board of India (SEBI). The Governance Committee comprised of 3 (three) Independent Directors till October 04, 2021:

1. Mr. Malay Mukherjee;
2. Dr. (Mrs.) Punita Kumar Sinha; and
3. Dr. (Mrs.) Tamali Sengupta.

Mr. Manoj Kumar, the Company Secretary of the Company acted as the Secretary to the Committee. The Terms of Reference of this Committee includes to identify and establish governance standards for "Group Entities" which includes Subsidiary companies and Associate companies of the Company, both listed and unlisted, incorporated in India or outside India, or any entity identified as group entity based on parameters for materiality or criticality as defined by the Committee, to review the measures already taken and recommending measures to be taken for ensuring Group Governance to the Board taking into account the best interests of the Company, to review and assess the adequacy of the Company's Corporate Governance Manual, Code of Conduct for Directors and Senior Management and other internal policies and guidelines, to ensure that a strong and effective group Governance Policy is in place, to define and identify the levels of risk posed by each of the group entities and accordingly obtaining inputs from the core management of the entities with respect to their applicable laws and compliance requirements.

- Meetings and attendance till October 04, 2021:

No meeting of the Governance Committee of the Company was held during the year 2021-22 before the Board was superseded was RBI on October 04, 2021.

After the supersession of the Board of Directors of your Company by RBI on October 04, 2021, few internal Committees were constituted by the Administrator of the Company such as Corporate Governance and Audit Committee, Core Strategic Committee, Nomination and Remuneration Committee, Asset Management Liability Committee, Risk Committee and IT Strategy Committee.



The Terms of Reference of the Committees prior to CIRP included their roles and powers as per the relevant provisions of Companies Act, 2013, SEBI Listing Regulations, 2015 and other applicable rules and regulations issued by the concerned Regulators from time to time.

Each of the Committees has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function.

### 3. Remuneration of Directors

- Details of remuneration paid/payable to Directors for the year ended March 31, 2022 till the supersession of the Board of Directors of your Company by RBI on October 04, 2021 are as follows:

(Amount in ₹)				
Directors	Sitting Fees <sup>1</sup>	Salary & Perquisites <sup>2</sup>	Commission <sup>4</sup>	Total
Mr. Hemant Kanoria(Chairman)	-	-	-	-
Mr. Sunil Kanoria (Vice Chairman)	6,50,000	-	-	6,50,000
Mr. Srinivasachari Rajagopal*	7,50,000	-	-	7,50,000
Mr. Shyamalendu Chatterjee	8,50,000	-	-	8,50,000
Dr. (Mrs.) Punita Kumar Sinha	9,00,000	-	-	9,00,000
Mr. Ram Krishna Agarwal**	9,25,000	-	-	9,25,000
Mr. Malay Mukherjee	12,50,000	-	-	12,50,000
Dr. (Mrs.) Tamali Sengupta	8,50,000	-	-	8,50,000
Dr. (Mrs.) Deepali Pant Rajeev Joshi#	2,75,000	-	-	2,75,000

<sup>1</sup>includes sitting fees paid to Non-Executive Directors for various Board and Committee meetings.

<sup>2</sup>includes basic salary, incentives, allowances, contribution to provident fund, leave encashment and other perquisites.

<sup>3</sup>Mr. Hemant Kanoria had voluntarily relinquished the remuneration payable to him w.e.f. May 05, 2021

<sup>4</sup>Mr. Hemant Kanoria, erstwhile Chairman voluntarily decided to forego the Commission entitlement for the Financial Year 2021-22. Further, no commission is payable to Non Executive Directors for the financial year 2021-22.

\*Resigned w.e.f. the close of business hours of June 30, 2021.

\*\*Resigned w.e.f. the close of business hours of September 17, 2021.

#Appointed as an Additional Director (Category: Non-Executive & Independent) w.e.f. June 03, 2021

- Prior to the supersession of the Board by RBI on October 04, 2021, the appointment of Whole Time Director was governed by resolution passed by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company, which covers the terms and conditions of such appointment including remuneration. Further, payment of remuneration to Whole Time Director is also governed by the agreement executed between him and the Company, and approval of Shareholders, wherever applicable. Further, the senior management team (including Chairman and Chief Executive Officer) of the Company decided to lead the efforts on expense control by volunteering to take pay cuts for the Financial Year 2021-22. Mr. Hemant Kanoria, the erstwhile Chairman had voluntarily relinquished the remuneration payable to him w.e.f. May 5, 2021.

Further, Mr. Hemant Kanoria, erstwhile Chairman and Mr. Sunil Kanoria, erstwhile Vice Chairman (Non-Executive Director) of the Company, were also the erstwhile Chairman and erstwhile Vice Chairman (Executive), respectively, of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company and were in receipt of remuneration for the Financial Year 2021-22 till October 04, 2021 from SEFL as per the details given below:

Name of Director*	Remuneration (₹ in Lacs)
Mr. Hemant Kanoria	1.63
Mr. Sunil Kanoria	1.63

\*Mr. Hemant Kanoria, erstwhile Chairman and Mr. Sunil Kanoria have voluntarily decided to relinquish the remuneration payable to them for the financial year 2021-22.

Further, Mr. Shyamalendu Chatterjee, erstwhile Independent Director of the Company was also a Non – Executive Director (Chairman) of Srei Capital Markets Limited and erstwhile Independent Director of Srei Equipment Finance Limited (SEFL), both wholly owned subsidiaries of the Company. Dr. (Mrs.) Tamali Sengupta and Mr. Malay Mukherjee, erstwhile Independent

Directors of the Company were also erstwhile Independent Directors of SEFL. Mr. Chatterjee, Dr. (Mrs.) Sengupta and Mr. Mukherjee were in receipt of sitting fees from the respective subsidiary companies in which they were Directors.

The details of sittings fees paid to the Independent Directors from the respective subsidiary companies in which they were Directors are disclosed in the Directors Report which forms part of the Annual Report of the Company.

Apart from the above, Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Shyamalendu Chatterjee, Dr. (Mrs.) Tamali Sengupta and Mr. Malay Mukherjee have not received any remuneration or commission from any of the Company's subsidiaries or holding company for the Financial Year 2021-22.

- The erstwhile Non-Executive Directors were paid remuneration by way of sitting fees for each meeting of the Board or any Committee thereof attended by them and reimbursement of out-of-pocket expenses incurred, wherever applicable, for attending such meetings. The sitting fees as determined by the erstwhile Board were ₹1,00,000/- for attending each meeting of the Board, ₹50,000/- for attending each meeting of the Audit Committee, Credit and Investment Committee, Risk Committee and Separate Meeting of Independent Directors and ₹25,000/- for attending each meeting of other Committees. The aforesaid payment was well within the limits prescribed under the Companies Act, 2013 and rules made therein.

Further, the Members of the Company at their meeting held on July 27, 2019 approved payment of commission to Non-Executive Directors of the Company annually for each of the 5 (Five) financial years of the Company commencing from Financial Year 2019-20, an amount not exceeding 1 (One) percent of the net profits of the Company payable in one financial year, to be divided amongst Non-Executive Directors in such amounts or proportions and in such manner as may be determined by the Board from time to time and in

default of such determination equally and the above commission shall be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings. However, no commission is proposed and payable to erstwhile Non-Executive Directors of the Company for the Financial Year 2021-22.

The remuneration by way of commission to the Non-Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and distributed to them equally based on their attendance and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at the meetings.

No pecuniary transactions have been entered into by the Company with any of the Non-Executive Directors of the Company, except the payment of sitting fees to them.

#### 4. Subsidiary Companies' Monitoring Framework

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

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

In addition to the above, the Company has formulated a Policy for determining 'Material' Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Policy\\_on\\_determining\\_Material\\_Subsiidiaries.pdf](https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsiidiaries.pdf).

As on March 31, 2022, Srei Equipment Finance Limited (SEFL) is a listed material Subsidiary of the Company.

#### 5. General Body Meetings

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

The date, time and venue of the last three AGMs of the Company and details of special resolutions

passed thereat have been provided in the section on Shareholders' Information in the Annual Report. All the resolutions set out in the respective Notices were passed by the Shareholders.

- **Details of Special Resolution(s) passed through Postal Ballot during the Financial Year 2020-21 and Financial Year 2021-22**

##### Financial Year 2020-21

During the Financial Year 2020-21, no resolution was passed through Postal Ballot.

No Resolution requiring a postal ballot was placed before the last AGM of the Company held on September 19, 2020.

##### Financial Year 2021-22

During the Financial Year 2021-22, no resolution was passed through Postal Ballot.

No Resolution requiring a postal ballot was placed before the last AGM of the Company held on September 25, 2021.

The Company may seek to pass Special Resolution(s) in Financial Year 2022-23 through Postal Ballot, as and when required, subject to applicable Acts and Rules. Pursuant to the provisions of the Companies Act, 2013, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through postal ballot.

#### 6. Disclosures

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

Transactions effected with the related parties are disclosed under Note No. 39 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of IND AS 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015.

A Statement in summary form of the transactions with related parties is periodically placed before the erstwhile Audit Committee for review and approval and thereafter recommendation to the erstwhile Board for their approval, wherever required.

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

Besides the transactions reported in the Annual Report as aforesaid, no transaction of material nature has been entered into by the Company with its Directors or Key Managerial Personnel (KMPs) and their relatives that may have a potential conflict with the interests of the Company at large. The Company has not entered into any material related party transactions with any of its related parties during the financial year 2021-22. The Register of Contracts containing transactions, if any, in which Directors are interested, is placed before the Board regularly.

The Reserve Bank of India (RBI) in its inspection report and risk assessment report for the year ended on March 31, 2020 has identified 'certain parties' being borrower of Srei Equipment Finance limited (SEFL), wholly owned subsidiary of the Company, as probable connected / related companies.

In view of the directions, the Company and SEFL have taken legal view to determine whether such parties are related parties to the Company and SEFL. Based on the legal view, the Company and SEFL have been advised and have therefore come to the conclusion that the Company and SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013 and Ind AS 24) over such parties and are not under common control and accordingly, are not related party of the Company or SEFL.

The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and

its related parties based on the laws and regulations applicable to the Company. The said Policy is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Related\\_Party\\_Transactions\\_\(RPTs\)\\_Policy.pdf](https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf).

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

Prior approval of Audit Committee is obtained for all Related Party Transactions (RPTs), wherever applicable, except for the Related Party Transactions (RPTs) for which omnibus approval is granted by the Audit Committee from time to time.

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

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

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

The Securities and Exchange Board of India (SEBI) served a notice on the Company dated November 15, 2021 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995. The notice was to inquire into and adjudge under Section 23E of the Securities Contract (Regulation) Act, 1956 for the alleged violation of Regulation 30 read with Clause 1 & 3 of Part A, Clause 8 of para B of Part A of Schedule III of SEBI (LODR) Regulations, 2015 and Para 8 of Part 2 of Annexure I of SEBI Circular dated September 9, 2015. After the Company had sent its reply on December 04, 2021, the Adjudicating Officer of SEBI heard the matter and passed on Order dated March 29, 2022 wherein a penalty of ₹2,00,000/- (Rupees Two Lacs Only) was imposed on the Company under Section 23E of the Securities Contract (Regulation) Act, 1956. However, this Order is subject to the outcome of the Supreme Court filed by SEBI in the matter of 'Dewan Housing Finance Corporation Ltd. v. Securities and Exchange Board of India'.

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

- **Insider Trading Code**

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015), the Board of Directors of the Company adopted the Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) by the

Designated Persons and their immediate relatives as well as Promoter and Promoter Group of the Company. Further, awareness emails are circulated to all the Designated Employees of the Company on a monthly basis for increasing awareness, highlighting the compliance requirements arising out of the Srei Insider Code including Do's and Don'ts on insider trading and responsibilities of Designated Persons. Further, initiatives have been taken by the Company to spread insider trading awareness by sending bulk SMS to all the Designated Employees of the Company intimating them about the closure of Trading Window and flashing the Do's and Don'ts as screen savers on the desktops / laptops of the Designated Employees. Further, wall posters on Do's and Don'ts and responsibilities of Designated Persons have been put up across Srei Offices for increasing awareness.

The erstwhile Board at its Meeting held on June 30, 2021 has revised the Srei Insider Code in line with the regulatory changes.

Further, with the sole objective of increasing awareness on Srei Insider Code in an easy and simple manner, information and guidance on Prevention of Insider Trading is regularly shared via email and through presentations from time to time wherein participants are given a broad overview on regulatory requirements and guidance regarding prevention of insider trading and wherein they learn how to avoid partaking in insider trading or sharing material non-public information.

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

Further, during the Financial Year 2021-22, few instances of violations of the Srei Insider Code by Designated Persons and / or their immediate relatives were observed by the Compliance Officer. Details of all such violations were presented before the Stakeholders Relationship Committee. Subsequently, decisions of the Stakeholders Relationship Committee were reported to the Securities and Exchange Board of India (SEBI) / Stock Exchanges, as applicable in the prescribed format and the penalty amounts imposed, if any, on the respective Designated Persons and / or their immediate relatives were duly deposited to the Investor Protection and Education Fund (IPEF) of SEBI.

- **Fair Disclosure Code**

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

The Chief Financial Officer of the Company is designated as Chief Investor Relations Officer, to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. A quarterly certificate, affirming compliance with the Srei Fair Disclosure Code is placed before the Stakeholders Relationship Committee for noting. The said Code is available on the Company's website at [https://www.srei.com/sifl-corporate-policies/Code\\_of\\_Practices\\_and\\_Procedures\\_for\\_Fair\\_Disclosure\\_of\\_UPSI.pdf](https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf).

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

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

The Committee of Key Executives for the determination of Materiality of events/information, before the Board was superseded by RBI on October 04, 2021, comprises:

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Rakesh Kumar Bhutoria	Chief Executive Officer (CEO)
Mr. Sandeep Kumar Sultania	Chief Financial Officer (CFO)
Mr. Sourendranath Mukhopadhyay	Deputy Chief Executive Officer
Mr. Manoj Kumar	Company Secretary

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

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

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

• **Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee**

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

It also provides for adequate safeguards against victimization of Directors and employees who avail the mechanism and provides for direct access to

the Administrator or the Advisory Committee, in exceptional cases.

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

• **Policy against Sexual and Workplace Harassment**

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. Further, the Company has created a module for the employees which will help the learner to understand the costs of sexual harassment at workplace and the importance of prevention of sexual harassment. Further, the module will familiarise the employees not just about the legal requirements but also the moral and ethical reasons why organisations must promote healthy workplace.

The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act'). The Policy is meant to sensitize the employees about their fundamental rights to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

The details of complaints during the Financial Year 2021-22 pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Company's Policy on Prevention of Sexual Harassment is as under:

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

**7. Means of Communication**

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

• Quarterly results	:	The Quarterly results of the Company are published in prominent English Newspaper having nationwide circulation as well as Bengali Newspaper and regularly hosted on Company's website. Further, pursuant to Regulation 47 read with Regulation 33 of SEBI Listing Regulations, 2015, extract of the Consolidated Results were published as per the prescribed format.
• Newspapers in which results are normally published	:	Business Standard, HT Mint, Hindu Business Line, Financial Express, Aajkaal and Ek Din.
• Any website, where displayed	:	Yes, at the Company's website <a href="http://www.srei.com">www.srei.com</a>
• Whether it also displays official news releases	:	Yes
• Whether MD & A is a part of Annual Report or not	:	Yes

## 8. General Shareholders' Information

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

### B. DISCRETIONARY REQUIREMENTS

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

#### a) Chairman of the Board

Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties

Not Applicable as the Board was superseded was Reserve Bank of India (RBI) on October 04, 2021.

#### b) Shareholder rights

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders

Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. However, emails are sent on a quarterly basis to the shareholders of the Company having e-mail ids giving financial highlights of the Company.

The Annual Report of the Company for the financial year 2021-22 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. Further, in view of the circulars issued by the Ministry of Corporate Affairs (MCA) and by the Securities and Exchange Board of India (SEBI), the Company will not be sending hard copy of the Annual Report for financial year 2021-22 to the Members. Therefore, Members are requested to get their email addresses registered/updated with the Company / Depository Participants, as applicable.

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

#### c) Modified opinion(s) in audit report

Company may move towards a regime of unmodified financial statements

It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on March 31, 2022.

#### d) Reporting of Internal Auditor

The Internal Auditor may report directly to the Audit Committee

The Internal Auditor of the Company was a permanent invitee to the erstwhile Audit Committee Meetings and regularly attended the Meetings for reporting audit findings to the erstwhile Audit Committee.





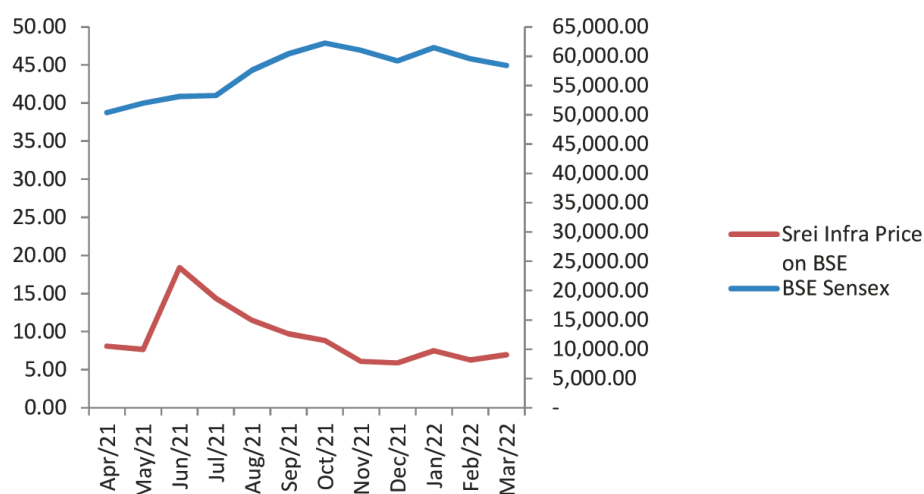
Srei Infrastructure Finance Limited

**SHAREHOLDERS' INFORMATION**

<b>1. Annual General Meeting</b>							
a. Date and Time	September 30, 2022 at 11:30 A.M.						
b. Venue	The 37th AGM of the Company will be conducted through Video Conferencing (VC)/Other Audio Visual Means (OAVM). The deemed venue for the 37th AGM shall be the Registered Office of the Company.						
<b>2. Financial Calendar (Tentative)</b>							
a. Financial reporting for 2022-23	April 1 to March 31						
Quarter ending June 30, 2022	On or before August 14, 2022						
Quarter/Half year ending September 30, 2022	On or before November 14, 2022						
Quarter/Nine months ending December 31, 2022	On or before February 14, 2023						
Year ending March 31, 2023	On or before May 30, 2023						
b. Annual General Meeting for the year ending on March 31, 2023	August/September, 2023						
<b>3. Dividend Payment Date</b>							
Not Applicable (Since no dividend is recommended for the financial year 2021-22).							
<b>4. Listing on Stock Exchanges</b>							
The Equity shares of the Company are presently listed on the following Stock Exchanges:							
<b>a. BSE Limited</b>							
P. J. Towers, Dalal Street Mumbai – 400 00							
<b>b. National Stock Exchange of India Limited</b>							
Exchange Plaza, 5th Floor, Plot no. C/1, G Block Bandra - Kurla Complex, Bandra (E) Mumbai – 400 051							
The Unsecured Perpetual Non-Convertible Debentures (PDI) of the Company amounting to ₹10 Crores are listed on the Debt Segment of BSE Limited (BSE).							
<b>5. Listing Fees</b>							
Listing fees for the financial year 2021-22 has been paid to all the Stock Exchanges.							
<b>6. International Security Identification Number (ISIN)</b>							
Equity Shares - INE872A01014							
<b>7. Stock Codes (Equity Shares)</b>							
Equity Shares BSE - 523756 and NSE - SREINFRA							
<b>8. Corporate Identification Number (CIN)</b>							
L29219WB1985PLC055352							
<b>9. Stock Market Data</b>							
	Month	National Stock Exchange of India Limited			BSE Limited		
		High ₹	Low ₹	Volume	High ₹	Low ₹	Volume
	April, 2021	8.15	5.15	7,83,07,978	8.11	5.14	1,69,89,029
	May, 2021	7.75	6.80	4,09,19,583	7.70	6.76	83,85,515
	June, 2021	18.35	7.05	30,13,08,636	18.39	7.01	4,30,67,369
	July, 2021	14.30	10.60	5,31,65,251	14.37	10.72	1,12,91,690
	August, 2021	11.55	7.45	1,11,65,362	11.49	7.38	43,43,430
	September, 2021	9.65	8.00	1,09,21,237	9.70	8.04	31,68,154
	October, 2021	8.85	3.70	4,02,47,857	8.84	3.47	2,37,19,966
	November, 2021	6.15	4.00	3,40,29,435	6.10	4.02	83,09,028
	December, 2021	5.85	4.75	1,93,57,969	5.90	4.65	56,76,267
	January, 2022	7.40	5.55	5,11,83,767	7.49	5.55	2,42,15,208
	February, 2022	6.30	4.90	1,53,61,357	6.30	4.92	41,07,401
	March, 2022	6.80	4.70	2,66,32,561	6.97	4.67	1,13,54,930

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

Performance in comparison to BSE Sensex (monthly High)



#### 10. Registered Office

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

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

a. Name & Address	KFin Technologies Limited (erstwhile KFin Technologies Private Limited) Selenium Building, Tower B, Plot 31&32 Financial District, Nanakramguda Serilingampally Mandal Hyderabad – 500 032
b. Telephone Nos.	040-6716 1500/1800-309-4001
c. Facsimile No.	040-2342 0814
d. Website	https://www.kfintech.com
e. Email	einward.ris@kfintech.com

#### 12. Details of Debenture Trustees

a. Name & Address	Catalyst Trusteeship Limited 'GDA House' Plot No.85, Bhusari Colony (Right) Kothrud, Pune – 411038
b. Telephone Nos.	91-20-2528-0081
c. Facsimile No.	91-20-2528-0275
d. Website	www.catalysttrustee.com
e. Email	complianceCTL-mumbai@ctltrustee.com

#### 13. Financial Year

1st April to 31st March

14. Particulars of Past three AGMs	AGM	Year	Venue	Date	Time	Members present
	36th***	2020/21	Thru' Video Conferencing (VC)/Other Audio Visual Means (OAVM)	25/09/2021 (Saturday)	11:00 a.m.	76
	35th**	2019/20	Thru' Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	19/09/2020 (Saturday)	11:00 a.m.	94
	34th*	2018/19	Bhasha Bhawan Auditorium, National Library, Belvedere Road, Alipore Kolkata - 700 027	27/07/2019 (Saturday)	10.30 a.m.	2,205

\*Five Special Resolutions were passed:

- Appointment of Mr. Hemant Kanoria (holding DIN: 00193015) as the Chairman of the Company.
- Appointment of Dr. (Mrs.) Tamali Sengupta (holding DIN: 00358658) as an Independent Director of the Company.
- Re-appointment of Mr. Shyamalendu Chatterjee (holding DIN: 00048249) as an Independent Director of the Company.
- Re-appointment of Mr. Srinivasachari Rajagopal (holding DIN: 00022609) as an Independent Director of the Company.
- Re-appointment of Dr. (Mrs.) Punita Kumar Sinha (holding DIN: 05229262) as an Independent Director of the Company.

\*\*One Special Resolution was passed:

- Waiver of recovery of excess remuneration paid to Mr. Hemant Kanoria (DIN: 00193015), Chairman of the Company, in whole time capacity, during the Financial Year 2019-20 and approval for payment of remuneration for the period of 2 (Two) years i.e. Financial Year 2020-21 and 2021-22 in the event of absence or inadequacy of profits, if any.

\*\*\*Two Special Resolutions were passed:

- Payment of Commission to Non-Executive Directors of the Company annually for 3 (three) Financial Years commencing from the Financial Year 2021-22, in the event of absence or inadequacy of profits.
- Dilution of the Company's investment(s) / asset(s) in Srei Equipment Finance Limited (SEFL), material wholly owned subsidiary of the Company.

15. Distribution of Shareholding as on March 31, 2022	Category (Shares)	No. of Shareholders		*No. of Shares	
		Total	Percent	Total	Percent
	Up to 500	80,811	68.26	1,23,02,028	2.45
	501 to 1000	15,509	13.10	1,31,28,733	2.61
	1001 to 2000	9,282	7.84	1,47,66,085	2.94
	2001 to 3000	3,741	3.16	97,85,455	1.95
	3001 to 4000	1,932	1.63	70,21,769	1.40
	4001 to 5000	1,878	1.59	90,26,648	1.79
	5001 to 10000	2,877	2.43	2,18,10,669	4.34
	10001 to 20000	1,368	1.16	2,00,85,012	3.99
	20001 and above	993	0.84	39,51,59,934	78.55
	<b>Total</b>	<b>1,18,391</b>	<b>100.00</b>	<b>503086333</b>	<b>100.00</b>

\*based on number of folios

16. Dividend History (Last 5 Years)	Financial Year	Dividend Per Share*(Rs.)	Dividend Declaration Date
	2021 – 22	–	–
	2020 – 21	–	–
	2019 – 20	–	–
	2018 – 19	0.50	March 08, 2019**
	2017 – 18	0.50	July 21, 2018

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

\*\*Interim Dividend

17. Categories of Shareholders as on March 31, 2022	Category Code	Category of Shareholder	Total Number of Shares	As a Percentage of (A+B+C)
	A	Shareholding of Promoter and Promoter Group		
	1	Indian	30,58,68,559	60.80
	2	Foreign	N.A.	N.A.
		<b>Total Shareholding of Promoter and Promoter Group*</b>	<b>30,58,68,559</b>	<b>60.80</b>
	B	Public Shareholding		
	1	Institutions	2,22,84,278	4.43
	2	Non-institutions**	17,49,33,496	34.77
		<b>Total Public Shareholding</b>	<b>19,72,17,774</b>	<b>39.20</b>
	C	Non Promoter-Non Public		
	1	Shares underlying DRs	-	-
		<b>Total Non Promoter-Non Public Shareholding</b>	<b>-</b>	<b>-</b>
		<b>GRAND TOTAL (A+B+C)</b>	<b>50,30,86,333</b>	<b>100.00</b>

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

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

#### 18. Credit Ratings

The following are the Credit Ratings as on March 31, 2022 assigned to unsecured perpetual Non-Convertible Debentures (NCDs) of the Company:

Agency	Brickwork
Innovative Perpetual Debt Instrument (PDI)	BWR D (Credit watch with negative implications)

During the Financial Year 2021-22, the credit ratings of the various instruments issued by the Company were revised as follows:

Credit Rating Agency	Instruments / Facilities	Date of Revision	Revision Type
Brickwork Ratings India Pvt. Ltd. (Brickwork)	Innovative perpetual debt instrument (IPDI)	06.04.2021	Downgrade

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

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

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

The Company does not deal in any commodity and hence is not exposed to any commodity price risk. Further, the Company lays down the overall risk strategy and Risk Committee oversees the application and adherence to it. The Company has adopted a comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market. Foreign exchange risk management becomes an imperative as the Company borrows money in foreign currency and lends in domestic currency. Therefore, in order to optimise the cost of funds and diversify the funding mix, effective hedging strategies are put in place in keeping with the Company's risk appetite; and limits pertaining to an open position are devised.

---

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

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

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

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

The Stakeholders Relationship Committee meets at regular intervals. During the year 2021-22, prior to the supersession of the Board by RBI on October 04, 2021, the Stakeholders Relationship Committee met 3 (Three) times. Total number of shares physically transferred during the year 2021-22 was NIL shares compared to NIL shares during the year 2020-21. There are no legal cases relating to transfer of shares.

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

**b. Redressal of Grievances**

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

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

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

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

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

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

There are no pending investor grievances lying unresolved as per the data available on SCORES as on March 31, 2022.

**c. Prevention of Fraudulent Transfers**

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

---



d. Dematerialisation of Shares and Liquidity	Based on a SEBI directive, the Equity shares of the Company are permitted to be traded only in dematerialised form and are available for demat under both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).																					
	As on March 31, 2022, a total of 50,04,30,967 Equity shares of the Company representing 99.47% of the total Equity Share Capital were held in dematerialised form. The entire Promoters' Group shareholding of the Company is in dematerialised form.																					
	The bifurcation of shares held in Physical and Demat form as on March 31, 2022 is given below –																					
	<table border="1"> <thead> <tr> <th>Physical / Electronic</th> <th>No. of Holders*</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Physical</td> <td>2,692</td> <td>26,55,366</td> <td>0.53</td> </tr> <tr> <td>NSDL</td> <td>43,855</td> <td>9,91,41,783</td> <td>19.70</td> </tr> <tr> <td>CDSL</td> <td>71,844</td> <td>40,12,89,184</td> <td>79.77</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,18,391</b></td> <td><b>50,30,86,333</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>		Physical / Electronic	No. of Holders*	No. of Shares	%	Physical	2,692	26,55,366	0.53	NSDL	43,855	9,91,41,783	19.70	CDSL	71,844	40,12,89,184	79.77	<b>Total</b>	<b>1,18,391</b>	<b>50,30,86,333</b>	<b>100.00</b>
Physical / Electronic	No. of Holders*	No. of Shares	%																			
Physical	2,692	26,55,366	0.53																			
NSDL	43,855	9,91,41,783	19.70																			
CDSL	71,844	40,12,89,184	79.77																			
<b>Total</b>	<b>1,18,391</b>	<b>50,30,86,333</b>	<b>100.00</b>																			
	*based on number of folios																					
	For any assistance in converting physical shares in electronic form, investors may approach KFin Technologies Limited or the Secretarial Department of the Company.																					
	The Equity shares of the Company are actively traded on the Stock Exchanges.																					
e. Depositories	<b>National Securities Depository Limited</b> Trade World, A Wing 4th and 5th Floor Kamala Mills Compound Senapati Bapat Marg Lower Parel Mumbai - 400 013 Telephone No : 91-22-2499 4200 Facsimile Nos. : 91-22-2497 2993/6351 E-mail : info@nsdl.co.in Website : www.nsdl.co.in	<b>Central Depository Services (India) Limited</b> 25th Floor, Marathon Futurex N M Joshi Marg, Lower Parel (East) Mumbai - 400013 Telephone No : 91-22-2302 3333 Facsimile Nos. : 91-22-2272 3199/2072 E-mail : investors@cdslindia.com Website : www.cdslindia.com																				
f. Registrar and Share Transfer Agents (RTA)	<p>The share transfer and shareholder related activities of the Company are attended and processed by the Registrar and Share Transfer Agents (RTA) of the Company. It is the responsibility of the RTA, inter alia, to register share transfers, coordinate with the depositories and to look after the redressal of shareholders' and Investors' complaints. The complaints/queries received from Investors relating to transfer of shares, non-receipt of annual reports, dividends, share certificates etc. and also the complaints/queries received through SEBI, MCA and the Stock Exchanges are being attended to by the RTA on priority basis.</p> <p>KFin Technologies Limited, Selenium Building, Tower B, Plot 31&amp;32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India, is the Registrar and Share Transfer Agents (RTA) of the Company for Equity Shares. KFin Technologies Limited also acts as the Registrar to Non-Convertible Debt Securities (NCDs) of the Company.</p>																					
g. Fund Raising	The Company has not raised any funds through issuance of securities during the financial year 2021-22.																					
h. Investor Relations	<p>Global macro and business environment has been very dynamic in the past year with implications on Company's business and financial performance. In this context, the Company recognises the imperatives to maintain continuous dialogue with the investor community. This is done with the objective to abreast the Investors of all the significant developments that may likely impact the Company's performance. This translates into feeding timely, accurate and relevant information that helps investors in taking informed investment decisions.</p> <p>The Company focuses to build Investor Relations on pillars of trust and transparency. The Company's proactive approach has enabled global investor community to better understand the management objectives, corporate strategies and overall performance of the Company over a period of time.</p> <p>To deliver an effective communication, the Investor Relations Department of the Company effectively deploys tools like Annual Report, Quarterly Earnings, Investor Release, Conference Calls, one on one Investor Meets, General Meetings and Internet (Company website) to serve as a link to stay connected with the Investors. In order to enable the Company to serve better, the Members are requested to update their database with the Company by filling in and returning to the Company the Shareholders Information Form available on the Company's website at <a href="https://www.srei.com/sifl-shareholders-information-forms">https://www.srei.com/sifl-shareholders-information-forms</a> or by e-mailing the information at <a href="mailto:investor.relations@srei.com">investor.relations@srei.com</a>.</p>																					
<b>21. Address for Shareholders' correspondence</b>	The Company Secretary Srei Infrastructure Finance Limited 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Email : <a href="mailto:secretarial@srei.com">secretarial@srei.com</a> , <a href="mailto:investor.relations@srei.com">investor.relations@srei.com</a>																					

## 22. Transfers to the Investor Education and Protection Fund (IEPF)

### a. Unclaimed Dividend on Equity shares

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

During the year under review, the Company has credited a sum of ₹5,49,409 to the Investor Education and Protection Fund pursuant to Section 124(5) of the Companies Act, 2013, being the dividend amount pertaining to the financial year ended on March 31, 2014, which was due & payable and remained unclaimed and unpaid for a period of 7 (Seven) years. Cumulatively, the aggregate dividend amount transferred to the said Fund upto March 31, 2022 stands at ₹81,22,846.69. The dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF are as follows:

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

\*Interim Dividend

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

### b. Unclaimed Deposits

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

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

During the year under review, the Company transferred 25,282 Equity shares to IEPF pertaining to Financial Year 2013-14, in accordance with the provisions of Section 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 after sending letters to shareholders holding those shares and also making an advertisement in the newspapers in this regard. Details of the shares transferred to IEPF are available on the Company's website under the link <https://www.srei.com/sifl-shareholders-information-transfer-shares-iepf>.

Total number of Equity shares lying in IEPF account as on March 31, 2021 aggregates to 4,44,285 shares.

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

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

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

## 23. Nomination

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

<b>24. Payment of Dividend etc. in electronic mode</b>	<p>Pursuant to Regulation 12 of SEBI Listing Regulations, 2015, listed entity shall use any of the electronic modes of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds ₹1,500 (Rupees One Thousand and Five Hundred only), the 'payable at-par' warrants or cheques shall be sent by speed post.</p> <p>The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors, failing which the bank details available with the depository participants and the Company's Registrar and Share Transfer Agents (RTA) are printed on the physical payment instruments.</p> <p>Payment of dividend and other benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit/misplacement/revalidation etc. can be easily mitigated.</p> <p>Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA by sending a duly filled and signed National Automated Clearing House (NACH) Mandate Form available on the website of the Company <a href="http://www.srei.com">www.srei.com</a>.</p> <p>The Company is using NACH mandate for remittance of dividend either through NACH or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.</p> <p>Members who wish to receive dividend in a bank account other than the one registered with the depository participants for shares held in demat form and with the Company's RTA for shares held in physical form, may notify their depository participants and the Company or its RTA, respectively, about any change in the bank account details.</p> <p>Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Company's Dividend Distribution Policy is available on the Company's website at <a href="https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf</a>.</p>
<b>25. Reconciliation of Share Capital Audit</b>	<p>As stipulated by SEBI, a qualified practicing Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.</p>
<b>26. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)</b>	<p>The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.</p>
<b>27. Secretarial Audit</b>	<p>The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)), all the Regulations of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC –ND – SI). The Secretarial Audit Report for the financial year ended March 31, 2022 is provided in the Annual Report.</p>
<b>28. Compliance Officer</b>	<p>Mr. Manoj Kumar (FCS 6698) has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. April 01, 2021.</p> <p>His contact details are as follows:</p> <p>Vishwakarma, 86C, Topsia Road (South) Kolkata – 700 046 Tel : 91-33-6160 2912 Email : <a href="mailto:secretarial@srei.com">secretarial@srei.com</a>, <a href="mailto:investor.relations@srei.com">investor.relations@srei.com</a></p>

---

<b>29. Role of Company Secretary in overall governance process</b>	The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He assists and advises the Board in ensuring good corporate governance as well as in complying with the corporate governance requirements. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and in accordance with Section 205 of the Companies Act, 2013 reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. He is also the interface between the management and regulatory authorities for governance matters.
<b>30. Web links to Company policies and programmes</b>	<p>Policy on determining Material Subsidiaries - <a href="https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsiidiaries.pdf">https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsiidiaries.pdf</a></p> <p>Related Party Transactions (RPT) Policy- <a href="https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf</a></p> <p>Familiarisation Programme for Independent Directors - <a href="https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf">https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf</a></p> <p>Whistle Blower Policy - <a href="https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf</a></p> <p>ESMS Policy - <a href="https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf">https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf</a></p> <p>Policy on Prevention of Sexual Harassment - <a href="https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf">https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf</a></p> <p>Corporate Social Responsibility (CSR) Policy - <a href="https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf">https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf</a></p> <p>Nomination and Remuneration Policy - <a href="https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf</a></p> <p>Policy on Board Diversity - <a href="https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf">https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf</a></p> <p>Srei Fair Practices Code - <a href="https://www.srei.com/sifl-corporate-policies/Srei_Fair_Practice_Code.pdf">https://www.srei.com/sifl-corporate-policies/Srei_Fair_Practice_Code.pdf</a></p> <p>Srei Code of Conduct for Board of Directors and Senior Executives - <a href="https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives.pdf">https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives.pdf</a></p> <p>Code of Practices and Procedures for Fair Disclosure (Srei Fair Disclosure Code) of Unpublished Price Sensitive Information (UPSI)- <a href="https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf">https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf</a></p> <p>Srei Investor Grievance Redressal Policy - <a href="https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf</a></p> <p>Srei Corporate Governance Framework - <a href="https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf">https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf</a></p> <p>Policy for determination of Materiality of any Event/Information - <a href="https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf">https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf</a></p> <p>Archival Policy - <a href="https://www.srei.com/sifl-corporate-policies/Archival_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Archival_Policy.pdf</a></p> <p>Dividend Distribution Policy – <a href="https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf</a></p> <p>Public Policy and Advocacy - <a href="https://www.srei.com/sifl-corporate-policies/Public_policy_and_advocacy.pdf">https://www.srei.com/sifl-corporate-policies/Public_policy_and_advocacy.pdf</a></p>

---

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

Pursuant to Schedule V of SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) before the Board was superseded by RBI on October 04, 2021. Detailed compliance, inter-alia, covering the subject matter/heads, as may be applicable are given below:

Sl. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>• Composition &amp; Meetings</li> <li>• Quorum of Board Meetings</li> <li>• Review of compliance reports &amp; compliance certificate</li> <li>• Plans for orderly succession for appointments</li> <li>• Code of Conduct</li> <li>• Fees / compensation to Non-Executive Directors</li> <li>• Minimum information to be placed before the Board</li> <li>• Compliance Certificate to be provided by CEO and CFO</li> <li>• Risk assessment and management</li> <li>• Performance evaluation of Independent Directors</li> <li>• Recommendation of the Board to the shareholders</li> </ul>
2.	Maximum Number of Directorships	17A	Yes	<ul style="list-style-type: none"> <li>• Directorship in listed entities whose equity shares are listed on a stock exchange</li> </ul>
3.	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>• Composition &amp; Meetings</li> <li>• Quorum of the Committee</li> <li>• Powers of the Committee</li> <li>• Role of the Committee and review of information by the Committee</li> </ul>
4.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Quorum of the Committee</li> <li>• Meetings of the Committee</li> <li>• Role of the Committee</li> </ul>
5.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Meetings of the Committee</li> <li>• Role of the Committee</li> </ul>
6.	Risk Management Committee	21	NA	–
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>• Review of Vigil Mechanism for Directors and employees</li> <li>• Adequate safeguards against victimization of Directors and employees / personnel who avail the mechanism</li> <li>• Direct access to Chairperson of Audit Committee</li> </ul>
8.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>• Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>• Approval including omnibus approval of Audit Committee and the Board</li> <li>• Review of Related Party Transactions</li> <li>• No material Related Party Transactions</li> <li>• Disclosure of Related Party Transactions on consolidated basis to stock exchanges and publishing the same on Company website</li> </ul>
9.	Corporate governance requirements with respect to subsidiary of Company	24	Yes	<ul style="list-style-type: none"> <li>• Material subsidiary of the Company is Debt Listed</li> <li>• Minutes of the meetings of the Board of Directors of the unlisted subsidiary</li> <li>• Significant transactions and arrangements entered into by the unlisted subsidiary</li> </ul>
10.	Secretarial Audit	24A	Yes	<ul style="list-style-type: none"> <li>• Secretarial Audit Report annexed to the Board's Report</li> <li>• No material unlisted subsidiary</li> <li>• Secretarial Compliance Report submitted to stock exchanges</li> </ul>



Sl. No.	Particulars	Regulation	Compliance Status	Compliance Observed
11.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• No Alternate Director for Independent Directors</li> <li>• Maximum Directorship and tenure</li> <li>• Meetings of Independent Directors</li> <li>• Cessation and appointment of Independent Directors</li> <li>• Familiarisation of Independent Directors</li> <li>• Declaration by Independent Directors</li> <li>• Directors &amp; Officer's Insurance</li> </ul>
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> <li>• Memberships / Chairmanships in Committees</li> <li>• Information to be provided by the directors about the committee positions held by them in other listed entities.</li> <li>• Affirmation on compliance of Code of Conduct by Directors and Senior Management</li> <li>• Disclosure of shareholding by Non-Executive Directors</li> <li>• Disclosures by Senior Management about potential conflicts of interest</li> <li>• No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by any employee (including Key Managerial Personnel, Director and Promoter)</li> </ul>
13.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> <li>• Compliance with discretionary requirements</li> <li>• Filing of quarterly compliance report on Corporate Governance with stock exchanges</li> </ul>
14.	Website	46(2)(b)to (i)	Yes	<ul style="list-style-type: none"> <li>• Terms and conditions for appointment of Independent Directors</li> <li>• Composition of various Committees of the Board of Directors</li> <li>• Code of Conduct for Board of Directors and Senior Executives</li> <li>• Details of establishment of Vigil Mechanism / Whistle-blower policy</li> <li>• Criteria of making payment to Non-executive Director</li> <li>• Policy on dealing with Related Party Transactions</li> <li>• Policy for determining 'material' subsidiaries</li> <li>• Details of familiarization programmes imparted to Independent Directors</li> </ul>

## Srei Corporate Codes & Policies – Key changes FY 2021-22

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

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2021-22
1.	Policy on determining Material Subsidiaries	The policy is used to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.	<a href="https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsiadiaries.pdf">https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsiadiaries.pdf</a>	There has been no change to the Policy during the year
2.	Related Party Transactions (RPTs) Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.	<a href="https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf</a>	There has been no change to the Policy during the year
3.	Whistle Blower Policy	The policy provides mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.  The policy was revised and adopted on 9th November, 2020.	<a href="https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf</a>	There has been no change to the Policy during the year.
4.	Environmental and Social Management System (ESMS) Policy	This policy provides a framework to facilitate the implementation of appropriate Environmental and Social Management System (ESMS) in the Company with the prime objective of reducing Environmental and Social impacts of its portfolio.	<a href="https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf">https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf</a>	There has been no change to the Policy during the year
5.	Policy on Prevention of Sexual Harassment	The policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.	<a href="https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf">https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf</a>	There has been no change to the Policy during the year
6.	Corporate Social Responsibility (CSR) Policy	The policy outlines the Company's strategy to taking Corporate Social Responsibility (CSR) as a sustainable social initiative with the aim to align and integrate its resources with society's developmental needs towards creating a better tomorrow.	<a href="https://www.srei.com/sifl_corporate-policies/Corporate_Social_Responsibility_CSR_Policy.pdf">https://www.srei.com/sifl_corporate-policies/Corporate_Social_Responsibility_CSR_Policy.pdf</a>	Since the Board was superseded ,wef., October, 04, 2022.The following amendment was made :  1. Any reference to the words "Board/Committee" in the Policy/Code shall be referred to as "Administrator/Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.
7.	Srei Nomination & Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel (KMPs) and other employees.	<a href="https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf</a>	Changes Made:-  1. To incorporate changes made pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations,2020, effective from 10th January, 2020.  2. Procedure for selection and nomination of KMP and SMPs.  3. Changes made pursuant to revision in sitting fees payable to Non-Executive Directors w.e.f.1st August, 2020.  4. Remuneration to Key Managerial Personnel(s) (KMPs) & Senior Management Personnel(s).

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2021-22
8.	Policy on Board Diversity	The policy sets out the approach to diversity on the Board of Directors of the Company and recognises and embraces the benefits of having a diverse Board appropriate to the requirements of the Company.	<a href="https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf">https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf</a>	Since the Board of the Company was superseded, vide press release dated October, 04,2022, the following amendment was adopted:-  1. Any reference to the words "Board/Committee" in the Policy/Code shall be referred to as "Administrator /Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP
9.	Srei Fair Practices Code	The code provides the framework for dealings with the Customers and lays down mechanisms for redressal of Customer grievances.	<a href="https://www.srei.com/pdf/Srei_Fair_Practice_Code.pdf">https://www.srei.com/pdf/Srei_Fair_Practice_Code.pdf</a>	Changes Made:  1. Clause V(d) Change in Grievance Redressal Officer-It was decided that the Company Secretary will act as Grievance Redressal Officer.  2. Insertion in para Sec VI(b):- The rate of interest is decided at the level of competent sanctioning authority based on the internal rating, security offered for the Financial assistance, duration of financial assistance and risk associated.  3. Change in approving authority of FPC: The approving authority of the policy has been changed from "Credit and Investment Committee" to "Risk Committee".
10.	Srei Code of Conduct for Board of Directors and Senior Executives	The code provides the framework for promoting ethical conduct in the Company.	<a href="https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives.pdf">https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives.pdf</a>	There has been no change to the Code during the year
11.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Srei Fair Disclosure Code)	The code provides the framework for following the best practices, duly compliant with applicable law, in the matter of disclosure of Unpublished Price Sensitive Information (UPSI).	<a href="https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf">https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf</a>	Since the Board of the Company was superseded, vide press release dated October, 04,2022, the following amendment was adopted:-  1. Any reference to the words "Board/Committee" in the Policy/Code shall be referred to as "Administrator/Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.
12.	Investor Grievance Redressal Policy	The policy provides mechanism for investor servicing and grievance handling.	<a href="https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf</a>	Changes made –  • Pursuant to appointment of Mr Manoj Kumar, the updation his details as the Compliance officer of the Company wef, April 01, 2022.
13.	Corporate Governance Framework	The policy provides the framework for Corporate Governance so that executives act in accordance with the highest standards of governance while working for and on behalf of the Company.	<a href="https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf">https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf</a>	There has been no change to the Policy during the year
14.	Group Governance Policy	This policy lays down the governance and monitoring levels of the Company's subsidiaries and other constituents falling within Group Entities.	–	There has been no change to the Policy during the year
15.	Policy for Determination of Materiality of any event / information	This policy is aimed at providing clear guidelines for determination of material events or information which need to be disclosed to the Stock Exchanges.	<a href="https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf">https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf</a>	There has been no change to the Policy during the year
16.	Dividend Distribution Policy	The policy sets out the parameters and circumstances that will be taken into account by the Board of Directors in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.	<a href="https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf">https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf</a>	There has been no change to the Policy during the year

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2021-22
17.	Code of Conduct for Prohibition of Insider Trading (Srei Insider Code)	<p>The code provides the framework for dealing with securities of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.</p> <p>The code was revised and adopted on 14th September, 2020.</p>	<a href="https://www.srei.com/sifl_corporate_policies/Code_of_Conduct_for_Prohibition_of_Insider_Trading.pdf">https://www.srei.com/sifl_corporate_policies/Code_of_Conduct_for_Prohibition_of_Insider_Trading.pdf</a>	<p>Since the Board of the Company was superseded, vide press release dated October, 04,2022, the following amendment was adopted:-</p> <p>Any reference to the words "Board/Committee" in the Policy/Code shall be referred to as "Administrator/Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.</p>
18.	Business Responsibility Policy	<p>The policy is based on principles enunciated in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a Business released by the Ministry of Corporate Affairs, towards conducting business by a company.</p> <p>The policy was revised and adopted on 28th July, 2020.</p>	-	There has been no change to the Policy during the year
19.	Policy for Preservation of Documents	This policy provides the procedure and manner for preservation and destruction of documents which are required to be prepared or maintained under applicable regulations.	-	<p>The following change was made during the year:</p> <p>In exercise of the powers conferred on the Reserve Bank of India (RBI) under Section 45-IE(1) of the RBI Act, 1934, the Reserve Bank of India (RBI) has issued an Order / Press Release w.r.t. the Supersession of the Board of Directors of Srei Infrastructure Finance Limited with immediate effect. Shri Rajneesh Sharma has been appointed as the Administrator under Section 45-IE(2) of the RBI Act, 1934. Further, pursuant to the Order dated 8th October, 2021 of the National Company Law Tribunal, Kolkata Bench ("NCLT"), corporate insolvency resolution process ("CIRP") has been initiated against Srei Infrastructure Finance Limited as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). 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."</p> <p>Therefore, any reference to the words "Board/ Committee" in the Policy/Code shall be referred to as " Administrator /Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP</p>
20.	Archival Policy	The policy provides the framework for the retention and archival of corporate records of the Company.	<a href="https://www.srei.com/sifl_corporate_policies/Archival_Policy.pdf">https://www.srei.com/sifl_corporate_policies/Archival_Policy.pdf</a>	<p>Since the Board of the Company was superseded, vide press release dated October, 04,2022, the following amendment was adopted:-</p> <p>Any reference to the words "Board/Committee" in the Policy/Code shall be referred to as "Administrator/Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP</p>
21.	Investment Policy	<p>The Policy lays down, inter alia, the guidelines to be followed by the Investment Committee to approve investments.</p> <p>The policy was revised and adopted on 9th November, 2020.</p>	-	<p>Changes made –A new paragraph has been added:-</p> <ul style="list-style-type: none"> <li>It was decided by the Committee that in place of putting the limits as per the RBI guidelines, the limits should be as per Company's policy. The policy should be approved by the Committee/ Board.</li> <li>In order to comply with RBI observation about the limit on various class of investment , a new clause "Decision w.r.t. New Investment was inserted.</li> </ul>
22.	Policy on "Fit and Proper" criteria for Directors	The Policy sets a framework to determine whether a Director is fit and proper to hold such position in the Company.	-	There has been no change to the Policy during the year



# Financial Statements



# Independent Auditors' Report

To the Members of Srei Infrastructure Finance Limited

## Report on the Audit of the Standalone Financial Statements

### Disclaimer of Opinion

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

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

### Basis for Disclaimer of Opinion

- a) We draw reference to Note No. 1.2, 1.3(i) and 59 to the Standalone Financial Statements 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 Insolvency and Bankruptcy Code ("IBC"), 2016 ("the Code"). Hence, the Standalone Financial Statements are 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 Standalone Financial Statements. Note No. 59 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 Standalone Financial Statements. Further the Notes also explains that since the Administrator has taken charge of the affairs of the Company on 4 October, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to 4 October, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of the Company, who were also part of the Company prior to the appointment of the Administrator.
- b) We draw reference to Note No. 51 to the Standalone Financial Statements which explains that during the financial year 2019-20, the Company accounted for the slump exchange transaction and consequently recognized and derecognised the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with its subsidiary, Srei Equipment Finance Limited (SEFL), with effect from 1 October, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of the Company obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. The Note further explains that during the financial year 2020-2021, SEFL had filed two separate applications under Section 230 of the Companies Act, 2013 ("the Act"), before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Schemes were pending before NCLT/NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Schemes including accounting of BTA. Both the Schemes were rejected by majority of the creditors and an application of withdrawal was filed

by the Administrator in this matter which has been allowed by the Tribunal vide order dated 11 February, 2022.

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

- c) We draw reference to Note No. 53 to the Standalone Financial Statements which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on 8 October, 2021, admitted by the Administrator till 4 May, 2022 is in the process of being verified and updated from time to time as and when the claims are admitted and that the creditors can file their claims during CIRP. Accordingly, the figures of claims admitted and accounted in the books of account 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 Standalone Financial Statements.
- d) We draw reference to Note No. 54(b) to the Standalone Financial Statements which explains the reasons owing to which the Company was not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount related to Corporate Social Responsibility (CSR). As stated in the said note, the Company has written to the Ministry of Corporate Affairs ("the MCA") seeking exemption from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Standalone Financial Statements.
- e) We draw reference to Note No. 56 to the Standalone Financial Statements which explains that the Company, as per the specific directions from Reserve Bank of India ("RBI") in relation to certain borrowers referred to as 'probable connected parties/related parties', was advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to SEFL and also whether transaction with these connected parties were in line with arm's length principles. However, the said process was not concluded and meanwhile the Company and SEFL have gone into CIRP. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's directions since these pertain to the period prior to the Administrator's appointment. As stated in point (a) above, the Administrator has initiated a transaction audit/review relating to the process and compliance of the Company and has also appointed professionals for conducting transaction audit as per sections 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 Standalone Financial Statements.
- f) We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee and Joint Lenders are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and Hon'ble NCLT.

Accordingly, we are unable to comment on the possible financial effects on the Standalone Financial Statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.

- g) In view of the possible effects of the matters described in paragraph 5(a) to 5(f) above, we were unable to determine the consequential implications arising therefrom and whether any adjustments, restatement, disclosures or compliances are necessary in respect thereof in the Standalone Financial Statements of the Company.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note No. 55 to the Standalone Financial Statements which states that the Company has been admitted to CIRP and that the Company has reported operational loss during the year ended 31 March, 2022 and earlier years as well. As a result, the Company's net worth has eroded and it has not been able to comply with various regulatory ratios/limits etc. All this have impacted the Company's ability to continue its operations in normal course in future. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Company's ability to continue as a 'Going Concern' in foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Standalone Financial Statements on a going concern basis.

#### **Emphasis of Matters**

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

- a) Note No. 50 to the Standalone Financial Statements which explains that 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 ₹3,300 lacs for the year ended 31 March, 2022.
- b) Note No. 52 to the Standalone Financial Statements which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and 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 was received on 14 February, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL.
- c) Note No. 5(v) to the Standalone Financial Statements which explains that the Company is holding 18,80,333 units in Infra Construction Fund, managed by Trinity Alternative Investments Managers Limited (TAIML). TAIML is a 51% subsidiary of the Company. For the purpose of NAV of such units, TAIML, acting as fund manager has forwarded the valuation report as on 31 March, 2022 to the Company, valuing such units at Nil. As on 31 December, 2021, TAIML had reported value of these units as ₹53,065 lacs under the same circumstances which continue as on 31 March, 2022. The Company has not accepted the basis of such valuation and is currently enquiring the basis of the same. The Company, only for the purpose of compliance has given effect to the said valuation and such value of investment in Company's books is subject to outcome of enquiry and explanations being sought from TAIML.
- d) Note No. 57 to the Standalone Financial Statements which explains that the Company during the quarter and year ended 31 March, 2022 on behalf of SEFL, had invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL') which were pledged as security against the loan availed by one of the borrowers of SEFL. These shares appear in the De-mat statement of the Company, whereas the borrower was transferred to SEFL pursuant to BTA. SEFL is in the process of getting these shares

transferred in its name. Till such name transfer, the Company is holding these shares in trust for SEFL for disposal in due course. SEFL has no intention to exercise any control/significant influence over STPL in terms of Ind AS 110/Ind AS 28.

- e) Note No. 62 to the Standalone Financial Statements which states that the MCA vide its letter dated 27 September, 2021 has initiated investigation into the affairs of the Company under Section 206(5) of the Act and the same is in progress.
- f) Note No. 58 to the Standalone Financial Statements which states that based on the information available in the public domain, forensic audit was conducted on the Company and few lenders have declared the bank account of the Company as fraud. However, in case of some lenders, on the basis of petition filed by the promoters, Hon'ble High Court of Delhi has restrained the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the petitioner's bank account as fraud. The next hearing in the matter has been listed on 23 August, 2022. Report of such forensic audit was not made available to us.

Our opinion is not modified in respect of the above matters.

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

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

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

We refer to Note No. 1.3(i) to the Standalone Financial Statements which states that the Standalone Financial Statements has been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI and subsequently by the Hon'ble NCLT vide its order dated 8 October, 2021. Further Note No. 1.3(i) also explains that since the Administrator has taken charge of the affairs of the Company on 4 October, 2021, the Administrator is not liable or responsible for any actions and with respect to the information pertaining to the period prior to 4 October, 2021, he has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of the Company, who were also part of the Company prior to the appointment of the Administrator.

The Administrator and the existing officials of the Company ("the Management") are responsible for the matters stated in Section 134(5) of the Act with respect to preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive loss, changes in equity and cash flows of the Company and other financial information of the Company in accordance with the accounting principles generally accepted in India,

including Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administrator either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the Company's Standalone Financial Statements in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act and to issue an auditor's report. However, because of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the relevant rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

1. As required by 'the Companies (Auditor's Report) Order, 2020' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable which is subject to the possible effect of the matters described in the "Basis for Disclaimer of Opinion" section above and the material weakness described in the "Basis of Disclaimer of Opinion" section in our separate Report on the Internal Financial Controls over Financial Reporting.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. However, to the extent as described in the "Basis for Disclaimer of Opinion" paragraph, we were unable to obtain such information and explanations.
  - (b) Due to the effects/possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report and more particularly paragraph (b) of the same in relation to the uncertainties regarding the accounting of BTA, we are unable to comment on maintenance of proper books of account, as required by law, by the Company so far as it appears from our examination of those books.

- (c) Read with the matters described in "Basis for Disclaimer of Opinion" section of this report, the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- (d) Due to the effects/possible effects of the matter described in the "Basis for Disclaimer of Opinion" section, we are unable to state whether, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) The matters described under the "Basis for Disclaimer of Opinion", "Material Uncertainty Related to Going Concern" and "Emphasis of Matter" sections above, in our opinion may have an adverse effect on the functioning of the Company.
- (f) We have been explained that RBI vide press release dated 4 October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the RBI Act superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45-1E (5) (a) of the RBI Act, has constituted a three-member Committee of Advisors for advising the Administrator. Accordingly, the Company has filed form DIR-12 and form GNL 2 on 11 October, 2021 and 1 February, 2022 respectively in respect of vacation of office of the erstwhile directors of the Company, hence there is no Board of Directors in the Company as on 31 March, 2022 and reporting in terms of Section 164(2) of the Act is not required.
- (g) The reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for Disclaimer of Opinion" section of our Report, read with paragraph 2(b) above.
- (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which expresses a disclaimer of opinion on the Company's internal financial controls with reference to the financial statements of the Company for the reasons stated therein.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. In the absence of confirmations from the legal counsels/lawyers of the Company, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements;
  - ii. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report, we are unable to comment whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2022.
  - iv. (a) The Management have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the

Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37(a) to the Standalone Financial Statements);

- (b) The Management have represented, that, to the best of their knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37(b) to the Standalone Financial Statements) and;
- (c) Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of our Report, we are unable to comment whether the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under points (a) and (b) above, contain any material misstatement.

v. The Company has not proposed/declared/paid any dividend during the year. Hence, reporting the compliance with Section 123 of the Act is not applicable.

3. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

During the year, the Company has not paid or provided any managerial remuneration to its Directors. The MCA has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us. Further, the RBI vide press release dated 4 October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the RBI Act superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act.

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

**Manoj Roongta**  
Partner  
Membership No: 057761  
UDIN: 22057761AJTXKQ2613

Place: Kolkata  
Date: 27th May, 2022



## Annexure A to Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Standalone Financial Statements for the year ended 31 March, 2022.]

In view of the significance of the matters described in "Basis for Disclaimer of opinion" section of our independent Auditor's Report of even date and the uncertainties involved, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Standalone Financial Statements and hence we do not express any opinion on the Standalone Financial statements of the Company for the year ended March 31, 2022. Our report on specific matters covered in this annexure is based on the examination and written representations given to us by the Existing Officials of the Company while performing our procedures and should be read along with our Independent Auditor's report as stated above and the various matters stated therein.

Accordingly, we report that-

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

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

Refer foot note to No. 10 to the Standalone Financial Statements.

- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year. Accordingly, reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- (e) As informed to us, to the best of the knowledge of the Existing Officials of the Company, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, However, in absence of independent confirmations from the legal counsels/lawyers of the Company with regards to the same, we are unable to report whether any proceedings have been initiated or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Act.
- ii. (a) The Company does not have any inventory. Accordingly, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of our books of records of the Company, the Company has not been sanctioned any working capital limits from any banks or financial institutions during the year under review. Accordingly, reporting under Clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties during the year. Accordingly, reporting under Clause 3(iii)(a), (b), (c), (d), (e) and (f)] of the Order are not applicable to the Company.
- iv. According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities in contravention of provisions of Section 185 of the Act. The Company has not made any loans or securities to the parties covered under Section 186 of the Act. In respect of investments and guarantees made by the Company, the relevant provisions of Section 186 of the Act have been complied with.
- v. The Company being a Non-Banking Finance Company registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits are not applicable. Accordingly, reporting under Clause 3 (v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried by the Company. Accordingly, reporting under Clause 3 (vi) of the Order is not applicable to the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues, as applicable, to the concerned authorities. According to the information and explanations given to us and based on the audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding as at the year-end for a period of more than six months from the date they became payable, except for those as disclosed below:

Property, Plant & Equipment and relevant details of Right-of-use assets.

- (B) The Company has maintained proper records showing full particulars of intangible assets.

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

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company, except for the details given below:



Name of Statute	Nature of dues	Amount (₹ in Lacs)	Period to which The amount relates
Goods & Services Tax Act, 2017*	GST	37.70**	FY 2020-21
Income Tax Act, 1961	TDS	45.65**	FY 2020-21
The Employees Provident Funds & Miscellaneous Provisions Act, 1952	PF	0.71**	FY 2020-21
West Bengal State Tax on Professions, Trades, Callings & Employments Act, 1979	PTAX	0.002**	FY 2020-21

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

\*\*As informed by the Company, Trust and Retention Account (TRA) mechanism was stipulated effective November 24, 2020, pursuant to which all payments were being approved/released based on the TRA mechanism. However, this payment was not approved/released. Thereafter, as stated in Note 1.2 to the Standalone Financial Statements, CIRP was initiated against the Company and due to the moratorium imposed under the Code, the said dues were not released in FY 2021-22, as well.

(b) According to the information and explanations given to us and based on the records of the Company examined by us, the dues of Income-Tax and Service Tax which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Income tax	471	FY 2005-06 & FY 2006-07	Supreme Court of India
Income Tax Act, 1961	Income tax	125	FY 2006-07 & FY 2007-08	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	529	FY 2007-08 & FY 2010-11	Calcutta High Court
Income Tax Act, 1961	Income tax	76	FY 2007-08	Assessing Officer
Income Tax Act, 1961	Income tax	1809	FY 2008-09	Supreme Court of India
Income Tax Act, 1961	Income tax	1938	FY 2011-12	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	1283	FY 2013-14	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	1427	FY 2014-15	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	97	FY 2015-16	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax on Fringe benefits	226	FY 2005-06 to FY 2008-09	Calcutta High Court
Income Tax Act, 1961	Income tax	510	FY 2016-17	National Faceless Appeal Centre ("NFAC") / CIT (Appeals)
Income Tax Act, 1961	Income tax	1091	FY 2017-18	National Faceless Appeal Centre ("NFAC") / CIT (Appeals)
Finance Act, 1964	Service Tax	302	FY 2008-09 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Kolkata
Finance Act, 1964	Service Tax	80	FY 2011-12 to FY 2014-15	CGST & CX Commissioner Appeal - 1, Commissionerate of Kolkata and Settlement Commission under SVLDRS Scheme.

\*In terms of Business Transfer Agreement ('BTA') (Refer Note No. 28 to the Standalone Financial Statements) entered by the Company with its wholly owned Subsidiary, Srei Equipment Finance Limited ('SEFL'), the Company is holding all the aforesaid dues on behalf of SEFL. In case of any future liability arising on the Company in relation to the aforesaid dues, the Company will recover the same from SEFL as per the terms of BTA.

viii. According to the information and explanations given to us and records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) During the year, there were no dues of any loans or other borrowings repayable by the Company. With respect to payment of interest thereon to any lender during the year, as stated in point (a) under "Emphasis of Matters" section of our Independent Auditor's Report and Note No. 50 to Standalone Financial Statements, the Company had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders and accordingly has not accrued interest for the year ended 31 March, 2022. Further, as stated in Note No. 54(a) to Standalone Financial Statements, the Company

has not accounted for interest for the year ended 31 March, 2022 with respect to Inter Corporate Deposits from SEFL pursuant to the approval of waiver of the said interest in the respective Audit Committee meetings of the Company and SEFL.

(b) The Existing officials of the Company have represented that the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority, however, as stated in point (f) under "Emphasis of Matters" section of our Independent Auditor's Report and Note no. 58 to the Standalone Financial Statements, based on the information available in the public domain, few lenders have declared the bank accounts of the Company as fraud upon completion of forensic audit conducted on the Company. Report of such forensic audit or any correspondence from Banks declaring the Company as a wilful

defaulter or its accounts as fraud have not been made available to us, hence, we are not in a position to comment whether or not the Company has been declared as a wilful defaulter by any bank or financial institution or government or government authority.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not taken any term loans from any lender. Accordingly, Clause 3 (ix) (c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no funds were raised on short-term basis by the Company. Accordingly, Clause 3 (ix) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries under the Act. The Company does not hold any investment in any joint venture or associates (as defined under the Act) during the year ended 31 March, 2022.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any joint venture or associates (as defined under the Act) during the year ended 31 March, 2022.
- x. (a) The Company has not raised any money by way of initial public offer/further public offer (including debt instruments) by way of further public offer during the year. Accordingly, reporting under Clause 3 (x) (a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, reporting under Clause 3 (x) (b) of the Order is not applicable to the Company.
- xi. (a) According to the information and explanations given to us we have neither come across any instance of fraud on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management. Refer point (f) under "Emphasis of Matters" section of our Independent Auditor's Report of even date and Note no. 58 to the Standalone Financial Statements which states that based on the information available in the public domain, few lenders have declared the bank account of the Company as fraud upon completion of forensic audit conducted on the Company. Report of such forensic audit or any correspondence /order from Banks / any other institution declaring the Company as fraud have not been made available to us, hence, we are not in a position to comment whether or not the Company was involved in any fraudulent activity during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us with the Central Government, during the year and upto the date of this report. Further, as informed by the Company, the Secretarial Auditor of the Company have not filed any report under Section 143(12) of the Act with the Central Government in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year and upto the date of this report. Accordingly, the reporting under Clause 3 (xi) (b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and based on the records examined by us, there were no whistle blower complaints received during the year by the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under Clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards. Refer paragraph (e) of the "Basis for Disclaimer of Opinion" section of our Independent Auditor's Report of even date on the Standalone Financial Statements of the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its erstwhile directors (i.e directors for the period 01 April, 2021 to 04 October, 2021) or other persons connected with them. Hence provisions of Section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- (b) The Company has not conducted non-banking financial / housing finance activities without a valid certificate of registration as per the RBI Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3 (xvi) (c) of the Order is not applicable to the Company.
- (d) In absence of any specific confirmation from the Existing Officials of the Company, we are unable to comment whether the Group to which the Company belongs has CIC or not as part of the Group.
- xvii. In view of the "Disclaimer of Opinion" issued by us vide our Independent Auditor's Report dated May 27, 2022 on the Standalone financial statements of the Company for the year ended March 31, 2022, we are unable to comment on Clause (xvii) of paragraph 3 of the Order in respect of current financial year. As informed to us, the Company has incurred cash losses in the immediately preceding financial year aggregating to Rs 1,236 Lacs, however, in view of the various matters reported by us under "Emphasis of Matter" section of our Independent Auditor's report dated June 30, 2021 on the Standalone Financial Statements of the Company for the year ended March 31, 2021, we are not in a position to comment on the same.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the management and its plans and based on our examination of the evidence supporting the assumptions, we believe that material uncertainty exists as on the date of this audit report regarding the Company's ability to meet its liabilities existing as at the date of balance sheet. We further state that our reporting is based on the facts up to date of the audit report. We further draw

attention to paragraph 'Material Uncertainty in relation to Going Concern' section of our independent auditor's report of even date, on the financial statements of the Company, regarding the applicability of the going concern assumptions.

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

Relevant Financial Year	Amount identified for Spending on CSR Activities "other than ongoing projects" (₹ in Lacs)	Unspent amount of (b) (Rs. in Lacs)	Amount Transferred to Fund specified in Sch VII of the Act (₹ in Lacs)	Due date of transfer to the specifies fund	Actual date of transfer to the specified fund	Number of days of delay
(a)	(b)	(c)	(d)	(e)	(f)	(g)
2020-21	78	53	–	September 30,2021	*	

\*Refer paragraph (d) of "Basis of Disclaimer of opinion" section of our independent Auditors's Report of even date.

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

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

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

**Manoj k Roongta**  
Partner  
Membership No. 057761  
UDIN: 22057761AJTXKQ2613

Place: Kolkata  
Date: 27th May, 2022

## Annexure B to the Independent Auditors' Report

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Standalone Financial Statements for the year ended 31 March, 2022]

### Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls with reference to financial statements of Srei Infrastructure Finance Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

### Auditors' Responsibility

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

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

### Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance

of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### Disclaimer of Opinion

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

### Explanatory Paragraph

We were engaged to audit, in accordance with the Standards on Auditing issued by the ICAI, as specified under section 143(10) of the Act, the accompanying Standalone Financial Statements of the Company, which comprise of the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone Financial Statements of the Company for the year ended 31 March, 2022 and this report affects our report dated 27 May, 2022 which expresses a disclaimer of opinion on the Standalone Financial Statements of the Company.

**For D. K. Chhajer & Co.**  
Chartered Accountants

Firm Registration No. 304138E

**Manoj k Roongta**

Partner

Membership No. 057761

UDIN: 22057761AJTXKQ2613

Place: Kolkata

Date: 27th May, 2022



# Balance Sheet

as at 31st March, 2022

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalents'	2	1,100	1,731
(b) Bank Balance other than (a) above	3	253	1,998
(c) Receivables			
(i) Trade Receivables	4	1,078	1,204
(d) Investments	5	28,446	61,185
(e) Other Financial Assets	6	553	496
		<b>31,430</b>	<b>66,614</b>
<b>(2) Non-Financial Assets</b>			
(a) Current Tax Assets (Net)	8	7,960	7,488
(b) Deferred Tax Assets (Net)	9	-	-
(c) Property, Plant and Equipment	10	9,421	9,655
(d) Right-of-use Assets		1	1,775
(e) Intangible Assets	11	3	4
(f) Other Non-Financial Assets	7	162	213
		<b>17,547</b>	<b>19,135</b>
<b>TOTAL ASSETS</b>		<b>48,977</b>	<b>85,749</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Trade Payables	12		
(i) Total outstanding dues of micro enterprises and small enterprises		35	14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,100	367
(b) Borrowings (Other than Debt Securities)	13	25,723	28,055
(c) Subordinated Liabilities	14	33,000	33,000
(d) Lease Liabilities		2	1,994
(e) Other Financial Liabilities	15	16,377	18,351
		<b>76,237</b>	<b>81,781</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Provisions	16	4	51
(b) Deferred Tax Liabilities (Net)	9	-	-
(c) Other Non-Financial Liabilities	17	148	195
		<b>152</b>	<b>246</b>
<b>(3) Equity</b>			
(a) Equity Share Capital	18	50,309	50,309
(b) Other Equity	19	(77,721)	(46,587)
		<b>(27,412)</b>	<b>3,722</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>48,977</b>	<b>85,749</b>

Significant Accounting Policies and Notes to Financial Statements.

1 to 64

The Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

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

Chartered Accountants  
ICAI Firm Registration No. 304138E

#### Manoj K Roongta

Partner  
Membership No. 057761

Place : Kolkata  
Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

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

Email ID for Correspondence - sreiaadministrator@srei.com

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

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

#### Rajneesh Sharma

Administrator Appointed Under IBC



# Statement of Profit and Loss

for the year ended 31st March 2022

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Revenue from Operations</b>			
(i) Interest Income	20	14	28
(ii) Dividend Income*		0	0
(iii) Rental Income		396	1,391
(iv) Fees and Commission Income		2,361	2,494
(v) Net gain on fair value changes	21	-	3
(vi) Net gain on derecognition of financial instruments under amortised cost		-	274
<b>(I) Total Revenue from Operations</b>		<b>2,771</b>	<b>4,190</b>
(II) Other Income	22	459	811
<b>(III) Total Income (I+II)</b>		<b>3,230</b>	<b>5,001</b>
<b>Expenses</b>			
(i) Finance Costs	23	158	3,282
(ii) Fees and Commission Expense		1,849	1,178
(iv) Impairment on Financial Instruments (Net)	24	457	1,472
(v) Employee Benefits Expenses	25	484	813
(vi) Depreciation, Amortisation and Impairment Expense	10,11	613	773
(vii) Administrative and Other Expenses	26	1,022	1,000
<b>(IV) Total Expenses (IV)</b>		<b>4,583</b>	<b>8,518</b>
(V) Profit / (Loss) Before Exceptional items and Tax (III-IV)		(1,353)	(3,517)
(VI) Exceptional items		-	310,455
(VII) Profit / (Loss) Before Tax (V-VI)		(1,353)	(313,972)
(VIII) Tax:			
(a) Current Tax		-	-
(b) Income Tax in respect of earlier year		(2,926)	(54)
(c) Deferred Tax		-	(19,446)
(IX) Profit/ (Loss) after Tax (VII-VIII)		1,573	(294,472)
<b>(X) Other Comprehensive Income/(Expense)</b>			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		23	29
(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		(32,730)	17,627
(ii) Tax related to above		-	(3,729)
<b>Total Other Comprehensive Income/(Expense) (X)</b>		<b>(32,707)</b>	<b>13,927</b>
<b>(XI) Total Comprehensive Income/(Expense) (IX+X)</b>		<b>(31,134)</b>	<b>(280,545)</b>
<b>(XII) Earnings per Equity Share (Face value of ₹ 10/- each)</b>	<b>27</b>		
- Basic and Diluted Earnings per Equity share		<b>0.31</b>	<b>(58.53)</b>

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

Significant Accounting Policies and Notes to Financial Statements.

1 to 64

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

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

## For D. K. Chhajer & Co.

Chartered Accountants  
ICAI Firm Registration No. 304138E

## Manoj K Roongta

Partner  
Membership No. 057761

Place : Kolkata

Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

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

Email ID for Correspondence - sreiaadministrator@srei.com

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

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

## Rajneesh Sharma

Administrator Appointed Under IBC



# Statement of Cash Flows

for the year ended 31st March, 2022

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit/ (Loss) Before Tax</b>	<b>(1,353)</b>	<b>(313,972)</b>
Adjustments for :		
Net (gain) / loss on derecognition of Property, Plant and Equipment	-	
Interest on Income Tax Refund	(207)	(791)
Liabilities No Longer Required written back	(237)	(7)
Impairment on Financial Instruments (Net)	457	1,472
Exceptional items	-	310,455
Depreciation, Amortisation and Impairment	613	773
<b>Operating profit before working capital changes</b>	<b>(727)</b>	<b>(2,070)</b>
<b>Changes in Working Capital</b>		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	(715)	(591)
Increase / (Decrease) in Trade Payables and Others Liabilities	(1,266)	16,362
Increase/ (Decrease) in Other Bank Balances	1,745	(1,695)
<b>Cash generated / (used) in operations</b>	<b>(963)</b>	<b>12,006</b>
Direct Taxes Refund/ (Paid)	2,661	7,811
<b>Net Cash (used in) / generated from Operating Activities</b>	<b>1,698</b>	<b>19,817</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment, and Intangible Assets	(1)	(30)
(Increase) / Decrease in Investments (Other than Subsidiaries)	9	1,061
(Increase) / Decrease of Investments in Subsidiaries	-	182
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>8</b>	<b>1,213</b>
<b>C. Cash Flows from Financing Activities</b>		
Repayment of Debt securities (including subordinated debt securities)	-	(3,075)
(Repayment of) / Proceeds from intercorporate deposit	(2,331)	19,654
(Repayment of) / Proceeds from Other Borrowings (Net)	-	(36,950)
Dividend Paid (including Corporate Dividend Tax)	(6)	(6)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(2,337)</b>	<b>(20,377)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(631)</b>	<b>653</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1,731</b>	<b>1,078</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,100</b>	<b>1,731</b>

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

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash and Cash Equivalents at the end of the year</b>		
(a) Cash on hand	0	0
(b) Balances with Banks - in Current Account	599	1,731
(c) Fixed Deposits with original maturity period less than three months	501	-
	<b>1,100</b>	<b>1,731</b>

## Explanations:

- The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
- Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

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

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

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

Place : Kolkata  
Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

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

Email ID for Correspondence - sreadministrator@srei.com

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

**Rajneesh Sharma**  
Administrator Appointed Under IBC

# Statement of Changes in Equity

for the year ended 31st March, 2022

A. Equity Share Capital		Changes in Equity Share Capital due to prior period errors		Restated balance at April 1st, 2021	Changes in equity share capital during the current year	Balance as at March 31st, 2022				
				50,309		50,309				
Balance as at April 1st, 2021		Changes in Equity Share Capital due to prior period errors		Restated balance at April 1st, 2020	Changes in equity share capital during the current year	Balance as at March 31st, 2021				
50,309				50,309		50,309				
<b>B. Other Equity</b>										
Particulars										
		Special Reserve pursuant to Section 45-1C of the Reserve Bank of India Act, 1935	Income Tax Special reserve (pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Items of other comprehensive Income	Total
<b>Balance as at the 1st April, 2020</b>		27,197	14,606	1,960	19,754	139,604	36,288	(5,451)		233,958
Profit for the year		-	-	-	-	-	(294,472)	-		(294,472)
Other Comprehensive Income (net of tax) *		-	-	-	-	-	22	13,905		13,927
Reclassification from OCI to retained earnings on cumulative disposal		-	-	-	-	-	764	(764)		-
Transfer from/ to retained earnings		-	-	-	-	-	-	-		-
<b>Balance as at 31st March, 2021</b>		27,197	14,606	1,960	19,754	139,604	(257,398)	7,690		(46,587)
Balance as at the 1st April, 2021		27,197	14,606	1,960	19,754	139,604	(257,398)	7,690		(46,587)
Profit for the year		-	-	-	-	-	1,573	-		1,573
Other Comprehensive Income (net of tax) *		-	-	-	-	-	23	(32,730)		(32,707)
Reclassification from OCI to retained earnings on cumulative disposal		-	-	-	-	-	-	-		-
Transfer from/ to retained earnings		315	-	-	-	-	(315)	-		-
<b>Balance as at 31st March, 2022</b>		27,512	14,606	1,960	19,754	139,604	(256,117)	(25,040)		(77,721)

\* Includes gain for ₹ 23 lacs (Previous year: charge of ₹ 22 lacs) on account of remeasurement of defined benefit plans.

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

**For D. K. Chhajer & Co.**

Chartered Accountants  
ICAI Firm Registration No. 304138E

**Manoj K Roongta**

Partner

Membership No. 057761

Place : Kolkata

Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

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

Email ID for Correspondence - sreiaadministrator@srei.com

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

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

**Rajneesh Sharma**

Administrator Appointed Under IBC



# Srei Infrastructure Finance Limited

## Notes to the Financial Statements

### 1. CORPORATE INFORMATION

#### 1.1. Background and General Information

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

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

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

The registered office of the Company and the principal place of business is 'Viswakarma' 86C Topsia Road (South), Kolkata – 700046.

These financial statements were approved for issue by the Administrator Appointed under the Insolvency and Bankruptcy Code (IBC) on May 27, 2022.

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

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

Thereafter RBI filed applications for initiation of Corporate Insolvency Resolution Process ('CIRP') against the Company under section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 08, 2021 admitted the application made by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of the Company shall vest in the Administrator. Further, NCLT also retained the three-member Advisory Committee, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

#### 1.3. Significant Accounting Policies

##### 1.3(i) Basis of preparation and presentation

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

2019-20 dated March 13, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

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

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

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

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

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

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

These audited financial statements of the Company for the year ended March 31, 2022 have been taken on record by the Administrator on May 27, 2022 while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI press release dated October 4, 2021 and subsequently, powers conferred upon him in accordance with Hon'ble NCLT order dated October 8, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company as a going concern. As a part of the CIRP, the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. As such, these financial results are subject to outcome of such audits/reviews. Since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial statements of the Company as they existed on October 4, 2021.

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

The accounting policies for some specific items of financial statements are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 (i) to 1.22.

### 1.3(ii) Investments in Subsidiaries and Associates

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

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

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

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

### 1.3(iii) Revenue recognition

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

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

- (a) Interest income from financial assets is recognized applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.16.3.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

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

- (b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.16.3.
- (c) Interest Income on credit impaired financial assets is recognized by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.
- (d) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.
- (e) Rental income arising from non-cancellable operating leases is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.
- (f) Revenue from Contract with Customers:

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

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

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

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

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

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

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

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

### 1.3(iv) Leasing

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

### 1.4 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term based on interest rate implicit in the lease.

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

For the revenue recognition policy on Lease Contracts, Refer Note No. 1.3.

### 1.4(i) The Company as lessee

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

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



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

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

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

### 1.5. Foreign currency translation

#### (i) Functional and presentational currency

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

#### (ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

### 1.6. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

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

### 1.7. Employee Benefits

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

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

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

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

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

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

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

##### (C) Short-term and other long-term employee benefits:

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

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

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

## 1.8. Taxation

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

### (i) Current tax

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

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

### (ii) Deferred tax

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

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

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

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

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

### (iii) Current and deferred tax for the year

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

## 1.9. Property, Plant and Equipment

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

### Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost of an item of property,

plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any.

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

### De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of Profit and Loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

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

## 1.10. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over 2-6 years, which reflects the managements estimate.

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

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

### 1.11. Impairment of Non-Financial Assets

#### Tangible and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment on an annual basis, and on a shorter period whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of Profit and Loss.

#### Investment in Subsidiaries and Associates

The carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

### 1.12. Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable

cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

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

#### Contingent Liabilities

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

#### Contingent Assets

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

### 1.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.14 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM assess the financial performance and position of the Company and makes strategic decisions.

The Company is predominantly engaged in a single reportable segment of 'Financial Services' as per the Ind AS 108 - Segment Reporting.

### 1.15 Financial Instruments

#### (i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost;
2. Financial assets to be measured at fair value through other comprehensive income;
3. Financial assets to be measured at fair value through profit or loss account.

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

#### Business model assessment

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

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

#### The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

#### 1.15.1 Recognition of Financial Instruments:

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

#### 1.15.2 Initial Measurement of Financial Instruments:

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

#### 1.15.3 Subsequent Measurement:

##### (A) Financial Assets

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

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

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

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

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

The EIR for financial assets or financial liability is computed

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

##### Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

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

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

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

##### Financial Assets at Fair Value through Profit or Loss (FVTPL):

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

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

##### Impairment of Financial Assets:

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognised in the statement of Profit and Loss are the same as the amount would have been recognised in case the debt instrument is measured at amortised cost.



For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

#### **Derecognition of Financial Assets:**

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

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

- a) for financial assets measured at amortised cost, the gain or loss is recognised in the statement of Profit and Loss.
- b) for financial assets measured at fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be reclassified within equity.

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

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

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

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

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

### **(B) Financial Liabilities and Equity Instruments:**

#### **Classification as debt or equity:**

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

#### **Equity Instruments**

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

#### **Financial Liabilities**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or

loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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

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

#### **Financial liabilities measured at amortised cost**

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

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

#### **Trade and other payables**

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

#### **Financial Guarantee Contracts**

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of Profit and Loss.

#### **1.15.4 Off-setting of financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

#### **1.15.5 Fair value measurement**

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



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

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

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

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

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

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

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

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

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

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that

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

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

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

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

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

#### 1.16 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note to the financial statements.

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

##### 1.16.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

#### 1.17 Hedge Accounting

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

### 1.17.1 Fair Value hedges

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

### 1.17.2 Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the statement of Profit and Loss.

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the underlying transaction is ultimately recognised in the statement of Profit and Loss. When an underlying transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of Profit and Loss.

### 1.18 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 1.19 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.20 Dividend

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

### 1.21 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods

are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

#### 1.21.1 Impairment charges on loans and advances

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

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.16.6 Overview of ECL principles.

#### 1.21.2 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### 1.21.3 Provisions other than loan impairment

Provisions are held in respect of a range of future obligations such as employee entitlements, litigation provisions, etc. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions.

#### 1.21.4 Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### 1.21.5 Defined employee benefit assets and liabilities

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

### 1.21.6 EIR method

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

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

### 1.21.7 Other estimates

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

### 1.22 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework

for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

# Notes to the Financial Statements

for the year ended 31st March, 2022

## 2. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand*	0	0
Balances with Banks - in Current Account**	599	1,731
Fixed Deposits with banks having original maturity of 3 months or less**	501	-
<b>Total</b>	<b>1,100</b>	<b>1,731</b>

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

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

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

(₹ in Lacs)

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

(₹ in Lacs)

Particulars	As at 31st Mar, 2022	Movement		As at 31st Mar, 2022
		Cash	Non-Cash	
Borrowings (Other than Debt Securities)	45,351	(17,296)	-	28,055
Subordinated Liabilities	36,075	(3,075)	-	33,000
<b>Total</b>	<b>81,426</b>	<b>(20,371)</b>	<b>-</b>	<b>61,055</b>

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

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividend Accounts	24	30
Balances with Banks - in Trust & Retention Account #	-	1,568
Fixed Deposits with banks having original maturity of more than 3 months (Including accrued interest for fixed deposits)*	229	400
<b>Total</b>	<b>253</b>	<b>1,998</b>

\* Includes

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Under Lien:		
- Bank Guarantees	229	399
- Unclaimed Public Deposit & Interest**	-	1

\*\* There is no outstanding towards unclaimed public deposit & interest thereon as on 31st March, 2022. However, the fixed deposit created under lien for their repayment is yet to be redeemed.

# Based on the lenders request, a TRA bank account was opened with UCO Bank wherein some collections of Transferred business has also been received

### 4.1. Trade Receivables:

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Considered good - Secured;	-	-
Less: Allowance for impairment loss allowance	-	-
(b) Considered good - Unsecured;	1,540	1,470
Less: Allowance for impairment loss allowance	462	266
	1,078	1,204
(c) Significant increase in credit risk	-	-
Less: Allowance for impairment loss allowance	-	-
(d) Credit impaired	2,005	1,767
Less: Allowance for impairment loss allowance	2,005	1,767
	-	-
<b>Total (a+b+c+d)</b>	<b>1,078</b>	<b>1,204</b>

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

(i) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

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

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2,033	582
Charge in Statement of Profit and Loss	434	1,451
Utilized during the year	-	-
Balance at the end of the year	2,467	2,033

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

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

Particulars	(₹ in Lacs)		
	As at 31st March, 2022		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	769	-	769
Due between three to six months	68	7	61
Due between six months to one year	284	28	256
Due between one year to two year	349	231	118
More than 2 year due	1,767	1,767	-
	<b>3,237</b>	<b>2,033</b>	<b>1,204</b>

## 4.2. Trade Receivables:

Trade Receivables ageing schedule as at March 31, 2022\*

Particulars	(₹ in Lacs)					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables - considered good	757	159	162	-	-	1,078
(ii) Undisputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables -Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>757</b>	<b>159</b>	<b>162</b>	<b>-</b>	<b>-</b>	<b>1,078</b>

Trade Receivables ageing schedule as at March 31, 2021\*

Particulars	(₹ in Lacs)					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables - considered good	830	256	118	-	-	1,204
(ii) Undisputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables -Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>830</b>	<b>256</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>1,204</b>

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



## Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

Particulars	As at 31st March, 2022						As at 31st March, 2021							
	At Fair Value			At Fair Value			At Fair Value			At Fair Value				
	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total
<b>Investments</b>														
Equity Instruments	-	20,343	-	-	20,343	-	20,343	-	17,344	-	-	17,344	-	17,344
Subsidiaries	-	-	-	-	-	314,210	314,210	-	-	-	-	-	314,210	314,210
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In Units of Trusts and Schemes of Venture Funds	-	5,085	1	-	5,086	-	5,086	-	40,823	1	-	40,824	-	40,824
<b>Total – Gross A</b>	-	<b>25,428</b>	<b>1</b>	-	<b>25,429</b>	<b>314,210</b>	<b>339,639</b>	-	<b>58,167</b>	<b>1</b>	-	<b>58,168</b>	<b>314,210</b>	<b>372,378</b>
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	25,428	1	-	25,429	314,210	339,639	-	58,167	1	-	58,168	314,210	372,378
<b>Total – B</b>	-	<b>25,428</b>	<b>1</b>	-	<b>25,429</b>	<b>314,210</b>	<b>339,639</b>	-	<b>58,167</b>	<b>1</b>	-	<b>58,168</b>	<b>314,210</b>	<b>372,378</b>
Less: Impairment loss allowance (C)	-	-	-	-	-	(31,193)	(31,193)	-	-	-	-	-	(31,193)	(31,193)
<b>Total – Net D = (A)-(C)</b>	-	<b>25,428</b>	<b>1</b>	-	<b>25,429</b>	<b>3,017</b>	<b>28,446</b>	-	<b>58,167</b>	<b>1</b>	-	<b>58,168</b>	<b>3,017</b>	<b>61,185</b>

During the financial year ended 31st March, 2022, the Company sold its investment in Equity Instruments that was classified at FVTOCI to meet its business objective. The fair value of the investment at the date of derecognition was ₹9 lacs (Previous year: ₹690 lacs) and Gain/loss on disposal was 0.002 lacs (Previous year: Loss ₹253 lacs).

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 5. Investments (Contd....)

Particulars	Quantity		₹ in Lacs	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Investments Carried at Cost</b>				
<b>Investments in Subsidiary Companies</b>				
<b>In Equity Instruments (Unquoted)</b>				
Srei Capital Markets Limited	5050000	5050000	505	505
Srei Insurance Broking Private Limited	5000000	5000000	412	412
Trinity Alternative Investment Managers Limited (Formerly Srei Alternative Investment Managers Limited)	127500	127500	13	13
Controlla Electrotech Private Limited (Refer note 5 (vi) below)	35305	35305	708	708
Srei Mutual Fund Asset Management Private Limited	18500000	18500000	1,279	1,279
Srei Mutual Fund Trust Private Limited	150000	150000	-	-
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	1000000	1000000	100	100
Srei Equipment Finance Limited (Net of Impairment provision for ₹ 3,10,455 (31st March, 2021: ₹ 310,455 lacs) (Refer Note no. 5 (x) below)	79016415	79016415	-	-
Bengal Srei Infrastructure Development Limited	25500	25500	-	-
<b>In Warrants (Unquoted)</b>				
Srei Mutual Fund Trust Private Limited (Net of Impairment provision for ₹ 45 (31st March, 2021: ₹ 45 lacs)	450000	450000	-	-
		<b>3,017</b>	<b>3,017</b>	
<b>Investments in Associate Companies</b>				
<b>In Equity Instruments (Unquoted)</b>				
IIS International Infrastructure Services GmbH, Germany*	0	**	-	-
		-	-	
<b>Investments in Mutual Funds</b>				
<b>In Mutual Funds (Quoted)</b>				
Unit Trust of India	400	400	1	1
		<b>1</b>	<b>1</b>	
<b>Investments Carried at Fair Value through Other Comprehensive Income</b>				
<b>In Equity Instruments (Quoted)</b>				
Kotak Mahindra Bank Limited	500	1000	9	18
Bharat Road Network Limited	16630000	16630000	4,773	4,764
Orient Green Power Company Limited	10924302	10924302	1,333	229
Lakshmi Vilas Bank Limited (Refer note 5 (iii) below)	0	0	-	-
India Power Corporation Limited (Refer note 5 (iv) below)	105524100	105524100	14,192	12,294
		<b>20,306</b>	<b>17,305</b>	
<b>In Equity Instruments (Unquoted)</b>				
TN (DK) Expressways Limited (Pledged with Bank)	13000	13000	-	1
Madurai Tuticorin Expressways Limited (Pledged with Bank)	19500	19500	-	2
Suratgarh Bikaner Toll Road Company Private Limited	17750	17750	-	2
New India Co-operative Bank Limited	573	573	-	-
Starlift Services Private Limited (Formerly ABG Kolkata Container Terminal Private Limited)	1200	1200	1	-
Kamala Tea Company Limited	25000	25000	36	34
Mahakaleshwar Tollways Private Limited	13270376	13270376	-	-
<b>In Warrants (Unquoted)</b>				
Samsara Energy Limited (formerly Quippo Energy Limited)	23540	23540	-	-
Viom Infra Ventures Limited (Formerly Quippo Infrastructure Limited)	99620	99620	-	-
		<b>37</b>	<b>39</b>	
<b>In Units of Trusts and Schemes of Venture Funds (Unquoted)</b>				
India Advantage Fund III	164981	164981	186	205
Infrastructure Project Development Capital	661654	661654	947	955
Infra Construction Fund (Refer note 5(v) below)	1880333	1880333	-	36,452
India Growth Opportunities Fund	3526949	3526949	461	459
Make In India Fund	1000000	1000000	143	157
Vision India Fund	5100000	5100000	3,348	2,595
			<b>5,085</b>	<b>40,823</b>
<b>Total</b>			<b>28,446</b>	<b>61,185</b>

\* The Company has Officially liquidated w.e.f. 29.07.2020.

\*\* There is no system of issuance of distinctive shares in the country of registration.  
All quoted and unquoted investments mentioned above all fully paid-up.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

**Note:**

- (i) During the period dividend income has been recognised for ₹ 0.005 lacs (Previous year ₹ 0.01 lacs) on equity instruments categorised as measured at fair value through other comprehensive income.
- (ii) During the previous year, the Company had invested ₹ 100 crores in debentures on behalf of its client and earned management fees for the same. The company had sold ₹ 100 crores worth of debentures during the year ended 31st March, 21 and returned this amount to the client. The said investment and the amount received for making the same, have not been reflected in these financial statements, as the Company was not having any beneficial interest in the said investment.
- (iii) As per scheme of amalgamation between The Lakshmi Vilas Bank Ltd. and DBS Bank India Limited, The Lakshmi Vilas Bank Ltd. was amalgamated with DBS Bank India Limited w.e.f. 27th November, 2020. As per the scheme of amalgamation, the entire amount of the paid-up share capital and reserves and surplus, including the balances in the share/securities premium account of the transferor bank, shall stand written off. The transferor bank cease to exist by operation of this Scheme, and its shares or debentures listed in any stock exchange were delisted. Hence, rights of shares holders on account of their investment have extinguished. Accordingly, the Company had recognized charge for ₹ 1,231 lacs as fair value changes through other comprehensive income during the financial year 2020-21.
- (iv) The Company is holding 95,93,10,000 equity shares in erstwhile India Power Corporation Limited (CIN: U40101WB2003PLC097340) ("erstwhile IPCL"). In terms of the Scheme of Arrangement and Amalgamation of erstwhile IPCL into and with DPSC Limited (now known as India Power Corporation Limited) ("DPSC") (CIN: L40105WB1919PLC003263) as sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013, the Shareholders of erstwhile IPCL (including the Company) are entitled to be allotted 11 equity shares of Rs.1 each of DPSC for every 100 equity shares of erstwhile IPCL held by them. Thus, the Company will be allotted 10,55,24,100 equity shares in DPSC which will constitute 6.69% of the post amalgamation paid up share capital of DPSC. As the Company has been given to understand, the said allotment of the aforesaid shares of DPSC to the Company will be done in terms of the Scheme sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013 after certain pending clearance(s) / approval(s) from the Stock Exchanges are obtained by DPSC. Therefore, 10,55,24,100 nos. of shares of DPSC as aforesaid is considered in the investment schedule. As the equity shares of DPSC is listed, closing price is considered for the purpose of valuation as on 31st March, 2022 and 31st March, 2021.
- (v) The Company is holding 18,80,333 units in Infra Construction Fund, managed by Trinity Alternative Investments Managers Limited (TAI ML). TAI ML is a 51% subsidiary of the Company. For the purpose of NAV of such units, TAI ML, acting as fund manager has forwarded us the valuation report as on 31st March 2022, valuing such units at NIL. As on 31st December 2021, TAI ML has reported value of these units as Rs 53065 lacs under the same circumstances which continue as on 31st March 2022. The Company however does not accept the basis of such valuation as on 31st March 2022 and is currently enquiring reasons based on which such valuation of units has been arrived at. The Company, only for the purpose of compliance has given effect to the said valuation and such value of investment in Company's books is subject to outcome of enquiry and explanations being sought from TAI ML.
- (vi) The fair value of equity shares of Controlla Electrotech Private Limited is higher than its carrying amount as on 31st March, 2022. Accordingly, no impairment provision is considered necessary.
- (vii) 950 nos. NCD's (face value Rs 10,00,000 each) issued by Fortis Healthcare Holdings Private Ltd were transferred to SEFL under Slump exchange w.e.f. 01 Oct 2019. Being matured ISIN, the depository has rejected the transfer request given by the Company in favor of SEFL. Therefore, these NCD's are being held by the Company for the benefit of SEFL and not considered as investments of the Company.
- (viii) Anagha Steel Marketing Limited (erstwhile Essar Steel Marketing Limited and formerly Essar Pellets Marketing Limited) had against a loan granted by the Company pledged 32,57,400 units of Infrastructure Project Development Fund (IPDF) having face value ₹ 100/- each as security for the loan. Pursuant to the BTA (Refer Note No. 51) the said Loan was transferred to the SEFL. Due to non-payment of the dues by Anagha Steel Marketing Limited, the pledge was invoked by virtue of which the units were transferred to the Company on February 24th, 2022. The Company continues to hold the units on behalf of the SEFL. Further, the SEFL has initiated the process to get the units transferred in its name.
- (ix) The Company is holding 4,52,809 no. of equity shares of Sanjvik Terminals Pvt Ltd on behalf of Srei Equipment Finance Limited. These shares were received by way of invocation of pledge by Srei Equipment Finance Limited & held for sale. Therefore, these shares are being held by the Company for the benefit of SEFL and not considered as investments of the Company.
- (x) The investment of the Company in its material subsidiary Srei Equipment Finance Limited ("SEFL") has been impacted. The collection of SEFL from the borrowers and the lessees were severely impacted during the year and which also adversely affected the cash flows of SEFL during the said period. Based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has done accelerated ECL provision which is over and above normal ECL provision. SEFL has incurred losses during the year ended 31 March 2022 due to which its net worth has eroded.  
Considering the above facts, the Company has assessed the carrying amount of its investment in SEFL in compliance to Ind AS and has made an impairment provision of ₹310,455 Lacs during the year ended 31st March, 2021 bringing down the book value of its investment in SEFL to ₹1 as prudent measure.  
The Company feels that with gradual improvement in the economy, the SEFL will recover significant part of the loan given to its borrowers resulting in reversal of provision made in the books by SEFL in the current year. Accordingly, the impairment on investment will be reviewed in future.

## 6. Other Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income accrued	87	-
Loans to employees	2	3
Security deposits		
To Related Parties	-	-
To Others	69	84
Less- Impairment allowance on security deposits	(10)	-
Other Advances	405	409
<b>Total</b>	<b>553</b>	<b>496</b>

## 7. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Advances	4	4
Advance to Vendors for Operating Expenses	32	42
Less- Impairment allowance on advances	(8)	-
Balances with Government Authorities	14	16
Prepaid expenses	120	151
<b>Total</b>	<b>162</b>	<b>213</b>

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 8. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Tax [(net of provision for tax ₹ Nil lacs (31 March, 2021: ₹ Nil lacs)]	7,960	7,488
<b>Total</b>	<b>7,960</b>	<b>7,488</b>

### The reconciliation of estimated income tax to income tax expense is as below:

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit before tax	(1,353)	(313,972)
Statutory Income Tax Rate	25.17%	31.20%
Expected income tax expense at statutory income tax rate	(341)	(97,959)
(i) Income exempt from tax/ Items not deductible (net)	49	(187)
(ii) Effect of indexation benefit / different tax rate on certain items	-	32,330
(iii) Net Deferred tax assets charged / not recognised to Statement of Profit & Loss	4,301	48,372
(iv) Effect on change in Tax Rate	(4,009)	(2,002)
(v) Income Tax for earlier years	(2,926)	(54)
<b>Total Tax Expense recognised in profit and loss account</b>	<b>(2,926)</b>	<b>(19,500)</b>
Total Tax Expense recognised in Other Comprehensive Income	-	(3,729)

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

(₹ in Lacs)

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

(₹ in Lacs)

Particulars	As at 1st April, 2020	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 1st April, 2021
Receivables, Financial Assets and Liabilities at Amortised Cost	446	27,363	-	27,809
Unrealised gain on Investment carried at Fair Value	(38,304)	41,271	(4,984)	(2,017)
Carried Forward of Losses & Unabsorbed Depreciation	22,251	(822)	1,262	22,691
Property, Plant and Equipment and Intangible Assets	(143)	20	-	(123)
Other Temporary Differences	34	(15)	(7)	12
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(15,716)</b>	<b>67,817</b>	<b>(3,729)</b>	<b>48,372</b>
Net Deferred tax assets charged to Statement of Profit & Loss	-	48,372	-	48,372
	<b>(15,716)</b>	<b>19,445</b>	<b>(3,729)</b>	-

The Company has incurred operating losses during the year ended 31 March 2022 and also has accumulated losses till 31st March 2021 which resulted in carry forward business losses on which deferred tax assets can be created to the extent it is probable that in future taxable profits will be available against which carry forward business losses can be utilized. Considering the uncertainty that future taxable profits will be available for set off against which carry forward losses can be utilised, the Company has decided not to create deferred tax assets on net basis during the year ended 31st March 2022 in accordance to IndAS 12, which will be reviewed in future period.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 10. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount		
	As at 1st April, 2021	Additions	Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2022	As at 1st April, 2021	Impairment Charge	As at 31st March, 2022	As at 31st March, 2022
<b>Assets for Own use</b>									
Buildings <sup>1</sup>	10,542	-	-	-	10,542	914	228	1,142	9,400
Plant and Machinery	20	-	-	-	20	4	2	6	14
Furniture and Fixtures	42	-	-	6	36	33	3	30	6
Motor Vehicles	-	-	-	-	-	-	-	-	-
Computers	26	1	-	1	26	26	1	26	(0)
Office Equipments	7	-	-	-	7	6	-	6	1
Leasehold Improvements	1	-	-	-	1	-	-	-	1
<b>Total</b>	<b>10,638</b>	<b>1</b>	<b>-</b>	<b>7</b>	<b>10,632</b>	<b>983</b>	<b>234</b>	<b>1,210</b>	<b>9,421</b>

## 11. Intangible Assets

(₹ in Lacs)

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

<sup>1</sup> Building includes Gross carrying amount of ₹ 8,747.34 Lacs in respect of property at Saket Place, New Delhi (Property<sup>1</sup>), which was purchased by the Company from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice. (Refer Note- 29)

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

### Breakup of Depreciation/ Amortisation and Impairment for the year/ period ended 31st March, 2022 is as below:

(₹ in Lacs)

Particulars	Total
Assets for Own use - Tangible	234
Assets for Own use - Intangible	1
Right to use assets *	378
<b>Total</b>	<b>613</b>

\*Net carrying amount of Right to use assets is ₹ 1 lacs as on 31st March 2022 (Previous year: ₹ 1,775 lacs) (Refer Note -47)



# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 10. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount			
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 31st March, 2021	As at 1st April, 2020	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
<b>Assets for Own use</b>										
Buildings <sup>1</sup>	10,525	17	-	10,542	685	229	-	-	914	9,628
Plant and Machinery	10	10	-	20	3	1	-	-	4	16
Furniture and Fixtures	42	-	-	42	29	4	-	-	33	9
Motor Vehicles	-	-	-	-	-	-	-	-	-	-
Computers	26	-	-	26	24	2	-	-	26	-
Office Equipments	7	-	-	7	5	1	-	-	6	1
Leasehold Improvements	1	-	-	1	-	-	-	-	-	1
<b>Total</b>	<b>10,611</b>	<b>27</b>	<b>-</b>	<b>10,638</b>	<b>746</b>	<b>237</b>	<b>-</b>	<b>-</b>	<b>983</b>	<b>9,655</b>

## 11. Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount			
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 31st March, 2021	As at 1st April, 2020	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
<b>Assets for Own use</b>										
Software	157	3	-	160	151	5	-	-	156	4
<b>Total</b>	<b>157</b>	<b>3</b>	<b>-</b>	<b>160</b>	<b>151</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>156</b>	<b>4</b>

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

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

### Breakup of Depreciation/ Amortisation and Impairment for the year ended 31st March, 2021 is as below:

(₹ in Lacs)

Particulars	Total
Assets for Own use - Tangible	237
Assets given on operating lease	-
Assets for Own use - Intangible	5
<b>Subtotal (a)</b>	<b>242</b>
Right to use assets (Refer note 47)	531
<b>Subtotal (b)</b>	<b>531</b>
<b>Total (a+b)</b>	<b>773</b>

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 12. Trade Payables

### (a) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) The principal amount and interest due thereon remaining unpaid to any supplier	35	14
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<b>35</b>	<b>14</b>

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. No interest was payable till the insolvency commencement date i.e. October 8th, 2021 and post CIRP the Company has not provided for any interest.

Trade Payables include ₹ Nil lac (Previous year- ₹ Nil lac) due to the related parties.

### (b) Total outstanding dues of creditors other than micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
For Services	1,100	367
<b>Total</b>	<b>1,100</b>	<b>367</b>

### (c) Trade Payables ageing schedule as at March 31, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
<b>Trade Payables</b>					
(i) MSME	35	-	-	-	35
(ii) Others	831	178	1	90	1,100
(iii) Disputed dues (MSMEs) and	-	-	-	-	-
(iii) Disputed dues (Others)	-	-	-	-	-
	<b>866</b>	<b>178</b>	<b>1</b>	<b>90</b>	<b>1,135</b>
Unbilled dues	-	-	-	-	-
<b>Total</b>	<b>866</b>	<b>178</b>	<b>1</b>	<b>90</b>	<b>1,135</b>

### (d) Trade Payables ageing schedule as at March 31, 2021

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
<b>Trade Payables</b>					
(i) MSME	-	14	-	-	14
(ii) Others	260	8	23	76	367
(iii) Disputed dues (MSMEs) and	-	-	-	-	-
(iii) Disputed dues (Others)	-	-	-	-	-
	<b>260</b>	<b>22</b>	<b>23</b>	<b>76</b>	<b>381</b>
Unbilled dues	-	-	-	-	-
<b>Total</b>	<b>260</b>	<b>22</b>	<b>23</b>	<b>76</b>	<b>381</b>

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 13. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at 31st March, 2022				As at 31st March, 2021			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
<b>Others- Unsecured</b>								
Inter Corporate Deposits	25,723	-	-	25,723	28,055	-	-	28,055
<b>Total</b>	<b>25,723</b>	<b>-</b>	<b>-</b>	<b>25,723</b>	<b>28,055</b>	<b>-</b>	<b>-</b>	<b>28,055</b>
Borrowings in India	25,723	-	-	25,723	28,055	-	-	28,055
<b>Total</b>	<b>25,723</b>	<b>-</b>	<b>-</b>	<b>25,723</b>	<b>28,055</b>	<b>-</b>	<b>-</b>	<b>28,055</b>

i. Inter Corporate Deposit as at 31st March, 2022, is ₹ 25,723 Lacs (31st March 2021: ₹ 28,055 Lacs) from Srei Equipment Finance Limited, a wholly owned subsidiary of the Company bearing interest @10% p.a.

## 14. Subordinated Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2022				As at 31st March, 2021			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
Subordinated Perpetual bonds/debentures (Tier I Capital) (refer Note No. 16.1)	33,000	-	-	33,000	33,000	-	-	33,000
<b>Total</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>
Subordinated Liabilities in India	33,000	-	-	33,000	33,000	-	-	33,000
<b>Total</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>33,000</b>

### 14.1 Subordinated Perpetual bonds/debentures (Tier I Capital)

During the year, the Company has not raised Unsecured subordinated perpetual debentures (Previous Year: ₹ Nil lacs). As at 31st March, 2022, the amount outstanding is ₹ 33,000 lacs (31st March 2021 : ₹ 33,000 lacs). These debentures have call option which is exercisable with prior approval of RBI. Call Option can be exercised by the Company on 1st April 2029 for ₹ 32,000 lacs and 22nd April, 2029 for ₹ 1,000 lacs.

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Maturity Profile* 2029-30	Total	Maturity Profile* 2029-30	Total
10%	33,000	33,000	33,000	33,000
<b>Total</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>

Considering the significant impact of COVID-19 on business activity, the Company had approached Non-convertible Perpetual Bond holders for waiver of interest for F.Y. 2021-22 & 2020-21. The Company has received their consent. Accordingly, the Company has not accrued interest on such bonds for year ended 31st March, 2022 totalling to ₹ 3,300 lacs (PY ₹ 3,294 lacs)

### 14.2 Subordinated bonds / debentures (Tier II Capital)

The Company has not raised any fund from subordinated bonds/ debentures qualifying for Tier II capital during the year ended 31st March, 2022 & 31st March, 2021.

### 14.3 Subordinated Loan & Deposits

The Company has not raised any fund from subordinated loans & deposits qualifying for Tier II capital during the year ended 31st March, 2022 & 31st March, 2021.

## 15. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid Dividends (refer Note No. 15.1)	24	30
Security Deposits & Retentions	15,531	15,529
Payable to Employees	38	118
Liability for Operating Expenses	642	649
Financial Guarantee Liability	142	159
Advances and Due to Others (refer Note No. 15.2)	-	1,866
<b>Total</b>	<b>16,377</b>	<b>18,351</b>

15.1 To be credited to Investor Education and Protection Fund if the same are not claimed by the shareholders within 7 years from the date of dividend declared.

15.2 It includes ₹ NIL Lacs (31st March 2021: ₹ 1,756 Lacs) payable to a wholly owned subsidiary towards funds transferred to Company's Trust & Retention Account from the bank account transferred by the Company under slump exchange (Refer Note 54).

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 16. Provisions

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Provision for employee benefits				
Provision for Gratuity (Refer note 44)		-8		6
Provision for Unavailed Leave (Refer note 44)		12		45
<b>Total</b>		<b>4</b>		<b>51</b>

## 17. Other Non-financial liabilities

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Advance from Customers		5		50
Statutory Liabilities		143		145
<b>Total</b>		<b>148</b>		<b>195</b>

## 18. Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
<b>Authorised</b>				
Equity Shares, ₹ 10/- par value per share	1,000,000,000	100,000	1,000,000,000	100,000
Preference Shares, ₹ 100/- par value per share	50,000,000	50,000	50,000,000	50,000
		<b>150,000</b>		<b>150,000</b>
<b>Issued and subscribed</b>				
Equity Shares, ₹ 10/- par value per share	503,086,333	50,309	503,086,333	50,309
<b>Fully Paid-up</b>				
Equity Shares, ₹ 10/- par value per share	503,086,333	50,309	503,086,333	50,309
		<b>50,309</b>		<b>50,309</b>

### 18.1 Reconciliation of the Number of Equity Shares outstanding

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	503,086,333	50,309	503,086,333	50,309
Add: Issued during the year	-	-	-	-
At the end of the year	503,086,333	50,309	503,086,333	50,309

### 18.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ₹10/- and ₹100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31st March, 2022 and 31st March, 2021.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 18.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2022)

The Company has not issued any shares without payment being received in cash/ by way of bonus shares since 2015-16.

### 18.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

(₹ in Lacs)

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
1 Adisri Commercial Private Limited (Holding Company)	303,675,845	60.36	303,675,845	60.36

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 18.5 Shareholding of promoters as at March 31, 2022 :

### Shares held by promoters at the end of the year

Promoter name	No. of shares	% of total shares	% Change during the year
(i) Adisri Commercial Private Limited (Holding Company)	303,675,845	60.36%	-
(ii) Sunil Kanoria	1,802,714	0.36%	-
(iii) Hemant Kanoria	380,000	0.08%	-
<b>Total</b>	<b>305,858,559</b>	<b>60.80%</b>	

## Shareholding of promoters as at March 31, 2021:

### Shares held by promoters at the end of the year

Promoter name	No. of shares	% of total shares	% Change during the year
(i) Adisri Commercial Private Limited (Holding Company)	303,675,845	60.36%	-
(ii) Sunil Kanoria	1,802,714	0.36%	-
(iii) Hemant Kanoria	380,000	0.08%	-
<b>Total</b>	<b>305,858,559</b>	<b>60.80%</b>	

Note: Promoter here means promoter as defined in the Companies Act, 2013

## 19. Other Equity

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Special Reserve (pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)</b>		
Opening balance	27,197	27,197
Add: Transfer from retained earnings	315	-
<b>Closing balance</b>	<b>27,512</b>	<b>27,197</b>
<b>Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)</b>		
Opening balance	14,606	14,606
Add: Transfer from retained earnings	-	-
<b>Closing balance</b>	<b>14,606</b>	<b>14,606</b>
<b>Capital Reserve</b>		
Opening balance	1,960	1,960
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>1,960</b>	<b>1,960</b>
<b>Securities Premium Account</b>		
Opening balance	19,754	19,754
<b>Closing balance</b>	<b>19,754</b>	<b>19,754</b>
<b>General Reserve</b>		
Opening balance	139,604	139,604
<b>Closing balance</b>	<b>139,604</b>	<b>139,604</b>
<b>Equity Instruments through Other Comprehensive Income</b>		
Opening balance	7,690	(5,451)
Add: Addition during the year	(32,730)	13,905
Less: Reclassification to retained earnings (net of tax)	-	(764)
<b>Closing balance</b>	<b>(25,040)</b>	<b>7,690</b>
<b>Retained Earnings</b>		
Opening balance	(257,398)	36,288
Add: Profit for the year	1,573	(294,472)
Add: Other Comprehensive Income (net of tax)	23	22
<b>Add/ Less: Appropriations</b>		
Transferred to Special Reserve	315	-
Reclassification from Other Comprehensive Income	-	(764)
<b>Total appropriations</b>	<b>315</b>	<b>(764)</b>
<b>Closing balance</b>	<b>(256,117)</b>	<b>(257,398)</b>
<b>Total</b>	<b>(77,721)</b>	<b>(46,587)</b>



# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## (i) Special Reserve:

Every year the Company transfers a sum of not less than twenty percent of net profit after tax of that year to its Statutory Reserve pursuant to Section 45-IC of The Reserve Bank of India Act, 1934.

### The conditions and restrictions for distribution attached to Special Reserve is as follows:

No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

## (ii) Income Tax Special Reserve:

This reserve has been created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961 and any withdrawal from same will be taxable as per provisions of the Income Tax Act, 1961.

## (iii) Capital Reserve:

This reserve represents capital investment subsidy received, amount forfeited towards warrant subscription and amount on cancellation of forfeited equity shares.

## (iv) Securities Premium:

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

## (v) General Reserve:

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

## (vi) Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

## (vii) Retained Earnings:

This reserve represents the cumulative profits/ (loss) of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

## 20. Interest Income

(₹ in Lacs)

Particulars	2021-22			2020-21		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on deposits with Banks	-	14	-	-	19	-
Other interest Income	-	-	-	-	9	-
<b>Total</b>	-	<b>14</b>	-	-	<b>28</b>	-

## 21. Net gain on fair value changes

(₹ in Lacs)

Particulars	2021-22	2020-21
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives	-	-
(ii) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Derivatives	-	-
- Investments	-	3
- Loans	-	-
- Deposit	-	-
<b>Total Net gain/(loss) on fair value changes (A)</b>	-	<b>3</b>
Fair Value changes:		
- Realised	-	-
- Unrealised	-	-
<b>Total Net gain/(loss) on fair value changes (B) to tally with (A)</b>	-	-

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 22. Other Income

(₹ in Lacs)

Particulars	2021-22	2020-21
Net gain / (loss) on derecognition of property, plant and equipment	0	0
Interest on Income Tax Refund	207	791
Others*	252	20
<b>Total</b>	<b>459</b>	<b>811</b>

\*its includes gain on termination of lease liability amounting to Rs 236 lacs.

## 23. Finance Costs

(₹ in Lacs)

Particulars	2021-22		2020-21	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	-	-	2,992
Interest on subordinated liabilities	-	-	-	-
Other interest expense	-	158	-	290
<b>Total</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>3,282</b>

## 24. Impairment on Financial Instruments (net)

(₹ in Lacs)

Particulars	2021-22		2020-21	
	On Financial liabilities measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial liabilities measured at fair value through	On Financial Instruments measured at Amortised Cost
Investments	-	-	-	45
Other financial assets	-	457	-	1,427
<b>Total</b>	<b>-</b>	<b>457</b>	<b>-</b>	<b>1,472</b>

## 25. Employee Benefits Expenses

(₹ in Lacs)

Particulars	2021-22	2020-21
Salaries and wages	441	730
Contribution to provident and other funds	33	71
Staff welfare expenses	10	12
<b>Total</b>	<b>484</b>	<b>813</b>

## 26. Administrative and Other Expenses

(₹ in Lacs)

Particulars	2021-22	2020-21
Rent, Taxes and Energy Costs	152	91
Repairs and Maintenance	87	115
Communication Costs	4	5
Printing and Stationery	15	8
Advertisement and Publicity	14	41
Director's Fees, Allowances and Expenses	65	81
Auditor's Fees and Expenses (refer Note No. 26.1)	38	54
Legal and Professional Charges	181	316
Insurance	9	26
Corporate Social Responsibility Expenses (refer Note No. 26.2)	-	78
Travelling & Conveyance	71	110
CIRP Expenses (refer Note No. 26.3)	321	-
Other Expenditure	65	75
<b>Total</b>	<b>1,022</b>	<b>1,000</b>

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 26.1. Payments to the Auditor

(₹ in Lacs)

Particulars	2021-22	2020-21
As Auditor - Statutory Audit & Limited Reviews	35	47
For Other Services (Certification etc.)	3	5
For Reimbursement of Expenses	-	2
<b>Total</b>	<b>38</b>	<b>54</b>

## 26.2. Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Gross amount required to be spent by the Company during the year	-	78
(b) Amount of expenditure incurred (paid in cash)	-	25
(c) Shortfall at the end of the year	-	53
(d) Total of previous years shortfall	53	-
(e) Reason for shortfall	Refer Note No. 54 (b)	Refer Note No. 54 (b)
(f) Nature of CSR activities	Not Applicable	Education and Skills Development, Healthcare / Medical facilities, Social and Economic Welfare & Environmental Sustainability.
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	Not Applicable
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable

## 26.3

(₹ in Lacs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Fees to Resolution professional	27	-
Manpower Cost	35	-
Reimbursement of expenses	-	-
Other Expenses	259	-
<b>Total</b>	<b>321</b>	<b>-</b>

## 27. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

(₹ in Lacs)

Particulars	2021-22	2020-21
Net Profit/ (Loss) attributable to the equity shareholder for the period	1,573	(294,472)
<b>Basic and Diluted</b>		
(i) Number of Equity Shares at the beginning of the year	503,086,333	503,086,333
(ii) Number of Equity Shares issued during the year	-	-
(iii) Number of Equity Shares at the end of the year	503,086,333	503,086,333
(iv) Weighted average number of Equity Shares outstanding during the year	503,086,333	503,086,333
(v) Nominal Value of each Equity Share (₹)	10	10
<b>Basic and Diluted Earnings per Equity share (₹)</b>	<b>0.31</b>	<b>(58.53)</b>

There have been no transaction involving ordinary equity shares or potential equity shares between the reporting date and the date of completion of these standalone financial statements which would require the restatement of EPS.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 28. Contingent Liabilities and Commitments (To the extent not provided for)

(₹ in Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>A. Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts:		
Income Tax*	-	-
Service Tax*	-	-
Central Sales Tax*	-	-
(b) Guarantees:		
Corporate Guarantees	5,270	5,270
Bank Guarantees <sup>1</sup>	1,521	1,698
<b>Total</b>	<b>6,791</b>	<b>6,968</b>

\* As regards the contingent liability amounting to NIL lacs (31st March, 2021: ₹ 211 lacs) for Central Sales tax, ₹ 382 lacs (31st March, 2021: ₹ 4,645 lacs) for Service tax and ₹ 9582 lacs (31st March, 2021: ₹ 7,981 lacs) for Income tax, in relation to various previous financial years, which are under dispute/pending with relevant forum/authorities, in terms of the Business Transfer Agreement ('BTA'), the Company is holding the same, in its books of account, on behalf of its wholly owned subsidiary, Srei Equipment Finance Limited ('SEFL'). In case of any future liability arising on the Company in relation to the aforesaid claims, the Company will recover the same from SEFL as per the terms of the BTA.

<sup>1</sup> Includes ₹ 441 lacs (₹ 504 lacs) issued on Company's behalf by the Banker of a Subsidiary Company and includes Bank Guarantees issued out of banks credit line which was transferred to SEFL as part of BTA.

The Company has provided Affirming letter (Co-indemnity Letter) in respect of Bharat Road Network Limited and its indemnity obligation under the agreement for divestment of equity shares of Shree Jagannath Expressways Private Limited. As the transaction is not yet consummated, there is no liability on the Company as on 31st March, 2022.

## 29. Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in Lacs) #		Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
		As at March 31st, 2022	As at March 31st, 2021				
PPE	Building (Saket, New Delhi)	8,747.34	8,747.34	South Lake Properties Pvt Ltd/ Pushp Vihar Properties Pvt Ltd / Koshika Properties Pvt Ltd / Wales Properties Pvt Ltd	No	29th Sept, 2010	#

# In respect of property at Saket Place, New Delhi ('Property'), which was purchased by the Company from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice.

**30.** No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder during the year ended March 31st, 2022 and March 31st, 2021.

## 31. Relationship with Struck off Companies

The Company has not entered into any transaction with Companies struck-off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31st, 2022 and March 31st, 2021.

## 32. Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:

(a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts- N.A.

(b) if not, summary of reconciliation and reasons of material discrepancies if any to be adequately disclosed - N.A.

## 33. Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.

**34.** The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender during the year ended March 31st, 2022 and March 31st, 2021.

**35.** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

## 36. Undisclosed Income

There are no any transactions not recorded in the books of accounts during the year ended March 31st, 2022 and March 31st, 2021 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) There are no previously unrecorded income and related assets have been properly recorded in the books of account during the year ended March 31st, 2022 and March 31st, 2021.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

### 37. Utilisation of Borrowed funds and share premium:

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

### 38. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31st, 2022 and March 31st, 2021.

### 39. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. . However, in view of deteriorating asset quality and substantial increment in the provisions held and liquidity problems faced by the Company, the net worth of the Company has been fully eroded. The Company is presently under CIRP with effect from October 8, 2021 and continue to operate as a going concern. In view of present situation, any improvement in the capital struture is envisaged through a sucessfull implementation of the Resolution plan.

### 40. Regulatory Capital (Capital Adequacy Ratio)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I capital	(5,353)	12,519
Tier II capital	30,881	6,259
<b>Total capital*</b>	<b>(5,353)</b>	<b>18,778</b>
Risk Weighted Assets	68,452	72,701
Tier I Ratio (%)	-7.82%	17.22%
Tier II Ratio (%)	-	8.61%

\* If Tier II capital exceeds Tier I capital, amount exceeding Tier I capital is not considered for Total capital funds & if Tier I capital is negative, Tier II capital is ignored. Further, as at March 31st, 2022 subordinated debts have not been considered in Tier II capital as Tier I capital is negative.

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, perpetual debt instrument, retained earnings including current year profit/(loss), statutory reserves and other free reserves less deferred revenue expenditure and intangible assets. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds.



# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 41. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.16 to the financial statements.

### A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b>a) Measured at Amortised Cost</b>				
i) Cash and Cash Equivalents	1,100	1,100	1,731	1,731
ii) Bank Balance other than (i) above	253	253	1,998	1,998
iii) Trade Receivables	1,078	1,078	1,204	1,204
iv) Other Financial Assets	553	553	496	496
<b>Sub-total</b>	<b>2,984</b>	<b>2,984</b>	<b>5,429</b>	<b>5,429</b>
<b>b) Measured at Fair value through Profit or Loss</b>				
i) Investments	1	1	1	1
ii) Other Financial Assets	-	-	-	-
<b>Sub-total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>c) Measured at Fair value through Other Comprehensive Income</b>				
i) Investments	25,428	25,428	58,167	58,167
<b>Sub-total</b>	<b>25,428</b>	<b>25,428</b>	<b>58,167</b>	<b>58,167</b>
<b>Total Financial Assets</b>	<b>28,413</b>	<b>28,413</b>	<b>63,597</b>	<b>63,597</b>
<b>Financial Liabilities</b>				
<b>a) Measured at Amortised Cost</b>				
i) Payables	1,135	1,135	381	381
ii) Borrowings (Other than Debt Securities)	25,723	25,723	28,055	28,055
iii) Subordinated Liabilities	33,000	33,000	33,000	33,000
iv) Lease Liabilities	2	2	1,994	1,994
v) Other Financial Liabilities	16,377	16,377	18,351	18,351
<b>Sub-total</b>	<b>76,237</b>	<b>76,237</b>	<b>81,781</b>	<b>81,781</b>
<b>b) Measured at Fair value through Profit or loss</b>				
i) Derivative Financial Instruments	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities</b>	<b>76,237</b>	<b>76,237</b>	<b>81,781</b>	<b>81,781</b>

fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables

### Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average lending rate of the company.

### Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

### Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average borrowing rate of the company.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

## B) Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and Loan Assets carried at FVTPL included in level 3.

(₹ in Lacs)

Particulars	As at 31st March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Other financial assets	-	-	-	-
Investments	20,307	-	5,122	25,429
	<b>20,307</b>	<b>-</b>	<b>5,122</b>	<b>25,429</b>
<b>Financial liabilities</b>				
Derivative Financial Instruments	-	-	-	-
	-	-	-	-

(₹ in Lacs)

Particulars	As at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Other financial assets	-	-	-	-
Investments	17,306	-	40,862	58,168
	<b>17,306</b>	<b>-</b>	<b>40,862</b>	<b>58,168</b>
<b>Financial liabilities</b>				
Derivative Financial Instruments	-	-	-	-
	-	-	-	-

### Note:

1. Fair value of the Company's assets and liabilities that are measured at fair value on a recurring basis
2. The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, all its liabilities are crystallised as at as on October 8, 2021 (Insolvency Commencement Date or 'ICD'). Hence, it has been assumed that the carrying value of the liabilities approximates the fair value.

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

(₹ in Lacs)

Particulars	Fair Value		Fair Value Hierarchy	Valuation Technique and Key Input	Significant Unobservable Input
	As at 31st March, 2022	As at 31st March, 2021			
<b>Financial Assets</b>					
Other financial assets	-	-	Level 3	Note (ii)	Note (v)
Investments	20,307	17,306	Level 1	Note (iii)	Not Applicable
Investments	5,122	40,862	Level 3	Note (iv)	Note (v) & (vi)
<b>Financial liabilities</b>					
Derivative Financial Instruments	-	-	Level 2	Note (i)	Not Applicable

#### (i) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

#### (ii) Income Approach:

The discounted cash flow method was used to capture the present value of the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## (iii) Quoted Prices

Quoted bid prices of an active market was used.

## (iv) Other Inputs

(a) Market Multiple Method: Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method: Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method: Value of the underlying net assets of the business.

(v) Discount rate, determined using the average cost of borrowing of the company + spread or contract yield rates or as considered by the Valuer.

(vi) Estimated future cash flows

## Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Particulars	Investments		Other financial assets	
	21-22	20-21	21-22	20-21
Opening Balance	40,862	27,770	-	-
Addition	-	-	-	-
Sale/ Repayment	-	(2,800)	-	-
Transfers from Level 3	-	-	-	-
Unrealised income/(loss)	(35,740)	15,892	-	-
<b>Closing Balance</b>	<b>5,122</b>	<b>40,862</b>	-	-

## Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

Below table shows impact of increase/decrease in fair valuation measurement at 2%

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Investment	102	(102)	817	(817)
Other financial assets	-	-	-	-
<b>Total</b>	<b>102</b>	<b>(102)</b>	<b>817</b>	<b>(817)</b>

## C) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company is currently undergoing Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Accordingly, a moratorium has been declared under section 14 of the Code. Post CIRP, the Company has reconstituted the Risk Management Committee including constitution of its sub committees viz Operational Risk Management Committee of Executives, Credit Risk Management Committee of Executives and the Product & Process Approval Committee. The Asset Liability Management Committee has also been reconstituted. The Financial risk management framework would undergo revision post implementation of the approved resolution plan.

### a) Market risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk:

- Foreign Currency Risk
- Interest Rate Risk
- Other Price Risk

#### i. Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

The Company is not having any Foreign Currency Exposure as on 31st March 2022 & 31 March 2021. Hence, the Company's profit and loss and equity is not exposed to such foreign currency risk.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Foreign Currency Sensitivities

There is no outstanding exposure in foreign currency as at 31st March, 2022 and 31st March, 2021, which will have sensitivity impact.

The Company has entered into Spots, Forwards and Currency Swaps to manage its foreign currency risk. Hence, the Company's profit and loss and equity is not exposed to such foreign currency sensitivity.

## ii. Interest rate risk

Post transfer of business under slump exchange, the Company is not having floating interest rate borrowings. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.

Post transfer of business under slump exchange, the Company is not undertaking lending business.

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. All the foreign currency liabilities have been crystallised into INR as on October 8, 2021 (Insolvency Commencement Date or 'ICD'). Accordingly, there is no foreign currency risk till the completion of CIRP.

The Company's outstanding borrowings as at 31st March, 2022 and 31st March, 2021 is having fixed interest rates.

The sensitivity analysis is applicable on the exposure having floating interest rates for assets and liabilities at the end of the reporting period. As there is no exposure having floating interest rates, no separate disclosure is being done.

## iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit & Loss/ fair value through Other Comprehensive Income as at 31st March, 2022 is ₹ 20,308/- Lacs (31st March, 2021 is ₹ 17,305 Lacs)

A 10% change in equity prices of such securities held as at 31st March, 2022 and 31st March, 2021, would result in an impact of ₹ 2,030 Lacs, and ₹ 1,730 Lacs respectively.

## b) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's treasury maintains flexibility in funding by maintaining sufficient cash and marketable securities and the availability funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company's Asset Liability Management Committee (ALCO) lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. The current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the company. The Liquidity risk management framework would undergo revision post implementation of the approved resolution plan.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Liquidity risk management (based on commercial terms):

Particulars	As at 1st March, 2022				As at 31st March, 2021					
	On demand	Less than 3 months	3 to 12 months	> 12 months	Total	On demand	Less than 3 months	3 to 12 months	> 12 months	Total
<b>A. Financial assets</b>										
i) Cash and Cash Equivalents	599	501	-	-	1,100	1,731	-	-	-	1,731
ii) Bank Balance other than (i) above	24	-	226	3	253	1,598	24	302	74	1,998
iii) Trade & Other Receivables	-	3,545	-	-	3,545	-	3,237	-	-	3,237
iv) Loans	-	-	-	-	-	-	-	-	-	-
v) Investments	-	-	-	28,446	28,446	-	-	5,022	56,163	61,185
vi) Other Financial Assets	-	487	-	66	553	-	11	409	76	496
<b>Total</b>	<b>623</b>	<b>4,533</b>	<b>226</b>	<b>28,515</b>	<b>33,897</b>	<b>3,329</b>	<b>3,272</b>	<b>5,733</b>	<b>56,313</b>	<b>68,647</b>
<b>B. Financial liabilities</b>										
i) Trade Payables #	-	969	-	-	1,135	-	381	-	-	381
ii) Borrowings*	-	-	-	33,000	33,000	-	-	-	61,055	61,055
iii) Lease Liabilities	-	-	1	1	2	-	168	489	1,337	1,994
iv) Other Financial Liabilities**	55	552	31	610,000	16,377	30	885	1,774	15,662	18,351
<b>Total</b>	<b>55</b>	<b>1,521</b>	<b>32</b>	<b>33,611</b>	<b>76,237</b>	<b>30</b>	<b>1,434</b>	<b>2,263</b>	<b>78,054</b>	<b>81,781</b>

# Repayments of Trade Payables admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2) are not determinable.

\* For the current year, repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No.55 and 56).

\*\* Includes salary provision in excess of 50 lacs capping is amounting to ₹104 lacs. Unpaid dividend amounting to ₹24 lacs and Security deposits to SEFL is Rs 15,000 lacs are not determinable pursuant to intimation of CIRP (Refer note no 55 and 56).

## c) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

Credit risk is monitored by the credit risk department of the Company's which is independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Post transfer of business under slump exchange, the Company is not undertaking lending business. The major part of the assets consists of Investments and company is primarily focusing on its fee business.

The Company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. The principal business of the Company is to provide financing in the form of loans to its clients primarily to acquire assets and infrastructure lending. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. The Company also provides Leasing services to its clients which result in accrual of Trade Receivables. The Company is exposed to credit risk to the extent of such Trade Receivables. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has credit policies approved by the Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines. The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables as per accounting standards. In addition, the Company also assesses impairment on such assets as per RBI guidelines and accounted for in the books as per regulatory guidelines. It may be noted that credit risk has increased due to the prolonged impact of the COVID 19 pandemic which has impacted the overall economy including the infrastructure sector.

Any concentration breach as per prudential norms are reported as required by RBI.



# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## d) Public disclosure on liquidity risk as per RBI Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 4, 2019.

As at 31st March, 2022:

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

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	5	58,723	N.A.	77%

(ii) Top 20 large deposits (Amount: Nil ; and % of total deposits: NA)

(iii) Top 10 borrowings (Amount: ₹58723 lacs; and % of total borrowings: 100%)

(iv) Funding Concentration based on significant instrument/product

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	Subordinated Perpetual debentures (Tier I Capital)	33,000	43%	
2	Inter Corporate Deposits	25,723	34%	

(v) **Stock Ratios:**

No.	Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
(a)	Commercial papers	0%	0%	0%
(b)	Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
(c)	Other short-term liabilities	3%	2%	4%

(vi) **Institutional set-up for liquidity risk management:**

Post suppression of the Board of the Company by the Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE (1) of the RBI Act, 1934, has vide Order / Press Release dated 4th October, 2021, Asset Liability Management Committee (ALMC) has been reconstitution w.r.f. 10th Dec 2021.

(vii) Guidelines of Liquidity Coverage Ratio (LCR) as per RBI Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 4, 2019 is applicable to NBFC-NDSI's with an assets size of Rs.5,000 crores and above. As the assets size of the Company is below the prescribed limit, the disclosure requirement is not applicable to the Company.

As at 31st March, 2021

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

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	5	61,055	N.A.	74%

(ii) Top 20 large deposits (Amount: Nil ; and % of total deposits: NA)

(iii) Top 10 borrowings (Amount: ₹ 61,055 lacs; and % of total borrowings: 100%)

(iv) Funding Concentration based on significant instrument/product

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	Commercial Paper	-		
2	Subordinated Perpetual debentures (Tier I Capital)	33,000	40%	
3	Inter Corporate Deposits	28,055	34%	

(v) **Stock Ratios:**

No.	Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
(a)	Commercial papers			
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-
(c)	Other short-term liabilities	6%	5%	5%

(vi) **Institutional set-up for liquidity risk management:**

Post suppression of the Board of the Company by the Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE (1) of the RBI Act, 1934, has vide Order / Press Release dated 4th October, 2021, Asset Liability Management Committee (ALMC) has been reconstitution w.r.f. 10th Dec 2021.

**e) Risk concentrations**

The principal business of the Company was to provide financing in the form of loans to its clients for various infrastructure and allied purposes. Post the transfer of Lending Business, Interest Earning Business & Lease Business ("Transferred Undertaking") together with associated employees, assets and liabilities of Srei Infrastructure Finance Limited (SIFL) to Srei Equipment Finance Limited (SEFL) as a going concern basis by way of slump exchange w.e.f. from October 1, 2019, the new business of SIFL is largely predicated on Infrastructure Advisory, Financial Solutions Advisory and Fee Based Business.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

Credit Risk is the risk of loss that occurs when a borrower or counterparty fails to meet its obligations in accordance with agreed terms, thus resulting in financial loss. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company's credit risk policies are approved by the Board from time to time which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

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

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

## Analysis of risk concentration

(₹ in Lacs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Subsidiary	Others	Total	Subsidiary	Others	Total
Investments	3,017	25,429	28,446	3,017	58,168	61,185

## 42 Transfers of financial assets

### Transfers of financial assets that are not derecognised in their entirety :

There was no such transaction during the year ended 31st March 22 and 31st March 2021.

## 43 Assets obtained by taking possession of collateral

The Company has not obtained any non-financial assets during the current and previous year by taking possession of assets held as security against credit facility.

## 44 Disclosure pursuant to Ind AS 19 - Employee Benefits

### Defined contribution plans

The Company has recognised, in Statement of Profit and Loss for the year ended 31st March, 2022 an amount of ₹ 26 Lacs (Previous year ₹ 57 Lacs) as expenses under defined contribution plans in respect of qualifying employees. The Company has no obligation other than Provident Fund, Employee State Insurance Scheme, National Pension Scheme and Labour Welfare Fund. The contributions are charged to profit and loss as they accrue. The amount recognised as an expense towards employers contribution to the aforesaid funds are as below:

(₹ in Lacs)

Particulars	2021-22	2020-21
Provident Fund	22	52
Employee State Insurance Scheme	*	*
National Pension Scheme	4	5
<b>Labour Welfare Fund</b>	<b>**</b>	<b>**</b>

\* ₹ 5477/- (Previous year: ₹ 5114/-)

\*\* ₹ NIL /- (Previous year: ₹ 72/-)

### Defined benefit plans

#### (A) Gratuity Fund :

The Company makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the company. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Company have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

### Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2022.

#### 44.1 Particulars in respect of employee benefits of the Company are as follows :

(₹ in Lacs)

Description	Gratuity		Leave	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Change in the defined benefit obligation</b>				
Present Value of Obligation at the Beginning of the Year	73	121	33	78
Current Service Cost	9	15	-	10
Interest Cost	5	7	0	5
Past Service Cost - Plan Amendments	-	-	-	-
Acquisitions Cost / credit	-	-	9	-
Actuarial (gain)/loss	(20)	(29)	7	(55)
Benefits paid	(7)	(40)	(44)	(5)
<b>Present Value of Obligation at the end of the Year</b>	<b>60</b>	<b>73</b>	<b>6</b>	<b>33</b>
<b>Change in plan assets</b>				
Fair value of Plan Assets at the Beginning of the Year	67	102	NA	NA
Expected return on Plan Assets	8	5	NA	NA
Acquisitions Cost/credit	-	-	NA	NA
Contributions by the Employer	-	-	NA	NA
Benefits paid	(7)	(40)	NA	NA
<b>Fair value of Plan Assets at the end of the Year</b>	<b>68</b>	<b>67</b>	<b>-</b>	<b>-</b>

#### Basis used to determine the Expected Rate of Return on Plan Assets

The expected return on plan assets is determined based on government bond rate.

(₹ in Lacs)

Description	Gratuity		Leave	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Amount recognised in Balance Sheet consists of:</b>				
Fair value of Plan Assets at the end of the Year	68	67	-	-
Present Value of Obligation at the end of the Year	60	73	6	33
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	(8)	6	6	33

(₹ in Lacs)

Description	Gratuity		Leave	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Expenses recognised in the statement of profit and loss consists of:</b>				
<b>Employee benefits expenses:</b>				
Current Service cost	9	15	-	10
Past Service Cost - Plan Amendments	-	-	-	-
Net Interest cost	0	1	0	5
Net Actuarial (gain)/loss	-	-	7	(55)
<b>Total [A]</b>	<b>9</b>	<b>16</b>	<b>8</b>	<b>(40)</b>
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	(23)	(29)	-	-
Actuarial (Gain) / Loss from financial assumptions	-	-	-	-
Return on plan assets (excluding amounts included in net interest cost)	-	-	-	-
<b>Total [B]</b>	<b>(23)</b>	<b>(29)</b>	<b>-</b>	<b>-</b>
<b>Expense recognised during the year [A+B]</b>	<b>(14)</b>	<b>(13)</b>	<b>8</b>	<b>(40)</b>

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 44.2. Particulars of Investment Details of Plan Assets are as follows :

(₹ in Lacs)

Description	Gratuity % Invested		Leave % Invested	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Investment Details of Plan Assets</b>				
Schemes of insurance- conventional products	100%	100%	Not Applicable	Not Applicable
<b>Total</b>	<b>100%</b>	<b>100%</b>		

## 44.3. Principal Assumptions used are as follows:

Discount rate per annum	7.00%	6.70%	6.70%	6.70%
Salary escalation rate per annum	5.00%	5.00%	5.00%	5.00%
Attrition Rate	Age 20-25: 5.0%	Age 20-25: 5.0%	Age 20-25: 5.0%	Age 20-25: 5.0%
	Age 25-30: 3.0%	Age 25-30: 3.0%	Age 25-30: 3.0%	Age 25-30: 3.0%
	Age 30-35: 2.0%	Age 30-35: 2.0%	Age 30-35: 2.0%	Age 30-35: 2.0%
	Age 35-50: 1.0%	Age 35-50: 1.0%	Age 35-50: 1.0%	Age 35-50: 1.0%
	Age 50-55: 2.0%	Age 50-55: 2.0%	Age 50-55: 2.0%	Age 50-55: 2.0%
	Above Age 55: 3.0%	Above Age 55: 3.0%	Above Age 55: 3.0%	Above Age 55: 3.0%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

44.4. The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

44.5. Expected employers contribution towards gratuity fund for the year ended 31st March, 2023 is ₹ NIL Lacs as per actuarial report.

## 44.6. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

	As at 31st March, 2022				As at 31st March, 2021			
	Gratuity		Leave		Gratuity		Leave	
	%	₹ (in lacs)	%	₹ (in lacs)	%	₹ (in lacs)	%	₹ (in lacs)
Discount Rate + 100 basis points	-4.3%	(3)	-3.4%	(0)	-6.2%	(4)	-7.1%	2
Discount Rate - 100 basis points	4.9%	3	4.0%	0	7.1%	5	8.1%	3
Salary Increase Rate + 1%	3.2%	2	4.0%	0	5.6%	4	8.2%	3
Salary Increase Rate - 1%	-3.5%	(2)	-3.5%	(0)	-6.0%	(4)	-7.2%	(2)

## 44.7. Maturity Analysis of The Benefit Payments

(₹ in Lacs)

Expected payment for future years	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Leave	Gratuity	Leave
Year 1	27	4	2	1
Year 2	13	1	25	7
Year 3	1	0	12	4
Year 4	1	0	2	1
Year 5	1	0	3	1
Next 5 Years	19	1	44	14

44.8. Weighted average duration of defined benefit obligations: 7 years (31st March, 2021: 7 years).

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 45. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

(₹ in Lacs)

### Related Parties:

Holding Company:	Country of Origin
Adisri Commercial Private Limited	India
Subsidiary of Holding Company:	Country of Origin
Srei Factors Private Limited	India
Subsidiaries & Step-down Subsidiaries:	Country of Origin
Srei Capital Markets Limited	India
Trinity Alternative Investment Managers Ltd. (Formerly Srei Alternative Investment Managers Limited)	India
Controlla Electrotech Private Limited	India
Srei Mutual Fund Asset Management Private Limited	India
Srei Mutual Fund Trust Private Limited	India
Srei Insurance Broking Private Limited	India
Bengal Srei Infrastructure Development Limited	India
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
Cyberabad Trustee Company Private Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	India
Srei Equipment Finance Limited	India
Associates & Related Subsidiaries:	Country of Origin
IIS International Infrastructure Services GmbH, Germany (Officially liquidated w.e.f. 29.07.2020)	Germany
AO International Infrastructure Services, Russia, (Subsidiary of IIS International Infrastructure Services GmbH, Germany) ceased to be related party on liquidation of IIS International Infrastructure Services GmbH, Germany.	Russia
Trusts:	Country of Origin
Srei Mutual Fund Trust	India
Others :	Country of Origin
Srei Infrastructure Finance Limited Employees Gratuity Fund	
Key Management Personnel (KMP):	Designation
Mr. Hemant Kanoria *	Chairman
Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
Mr. Shyamalendu Chatterjee *	Independent Director
Mr. Malay Mukherjee *	Independent Director
Dr. Punita Kumar Sinha *	Independent Director
Dr. Tamali Sengupta *	Independent Director
Dr. Deepali Pant Rajeev Joshi ( w.e.f 30.06.2021) *	Additional Director (Category: Independent Director)
Mr. Ram Krishna Agarwal ( ceased w.e.f 17.09.2021)	Independent Director
Mr. Srinivasachari Rajagopal (ceased w.e.f. 30.06.2021)	Independent Director
Mr. Rakesh Kumar Bhutoria (cease w.e.f 15.09.2021)	Chief Executive Officer
Mr. Sandeep Lakhota (ceased w.e.f. 20.03.2021)	Company Secretary
Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. 07.12.2021)	Chief Financial Officer
Mr. Shashi Bhushan Tiwari (from 20.05.2019 to 30.06.2020)	Chief Risk Officer
Mr. Rajneesh Sharma ( w.e.f 04-10-2021) **	Administrator
Mr. Souren Mokhopadhyay (w.e.f 30.06.2021)	Deputy Chief Executive Officer
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Company Secretary & Chief Financial Officer
Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Chief Compliance Officer & Financial Controller

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the year ended	Balance As at	For the year ended	Balance As at
		31st March, 2022		31st March, 2021	
<b>(A) Holding Company :</b>					
Adisri Commerical Private Limited	Dividend Paid	-	-	-	-
<b>(B) Subsidiaries:</b>					
Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	Advance Given (Unsecured)	5	5	200	-
	Refund of Advance Given	-	-	200	-
	Rental Received / Receivable	3	-	-	-
Srei Mutual Fund Asset Management Private Limited	Inter Corporate Deposits Received (Unsecured)	-	-	997	-
	Inter Corporate Deposits Refunded	-	-	2,094	-
	Interest Paid on Inter Corporate Deposits	-	-	31	-
Srei Mutual Fund Trust Private Limited	Subscription to Share Warrant	-	-	15	-
	Advance Given (Unsecured)	-	-	5	-
	Refund of Advance Given	-	-	9	-
	Interest on Advance Given	-	-	0.33	-
Controlla Electrotech Private Limited	Inter Corporate Deposits Received (Unsecured)	-	-	20	-
	Inter Corporate Deposits Refunded	-	-	65	-
	Interest Paid on Inter Corporate Deposits	-	-	1	-
Srei Insurance Broking Private Limited	Inter Corporate Deposits Received (Unsecured)	-	-	411	-
	Inter Corporate Deposits Refunded	-	-	821	-
	Interest Paid on Inter Corporate Deposits	-	-	11	-
	Rental Received	11	-	18	-
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	Subscription to Equity Shares	-	90	90	-
Srei Capital Markets Limited	Rental Received	2	-	-	-
Srei Equipment Finance Limited	Security Deposit Received	-	15,000	15,000	15,000
	Rental Received / Receivable	20	229*	1,172	229*
	Rent Paid / Payable	3	3	-	-
	Loan Received - Unsecured (transaction for the period on maximum outstanding basis)	18	25,723	33,355	25,669
	Refund of Loan Received	2,350	-	7,686	-
	Interest expenses on loan	-	-	2,428	2,386
	Reimbursement of Expenses	-	-	250	-
	Sale of Investment	-	-	641	-
	Purchase of Assets	-	-	17	-
	Other Payable : Advance Received #	1,559	-	-	-
	Other Payable : Refund of Advance Received #	3,315	-	1,756	1,756
	Closure of BG	88	-	541	-
	BG issued from SEFL limit	-	416	-	504

\* Excluding receivables towards GST for ₹38 lacs. (Previous year Rs ₹Lacs)

\*\*Net of (TDS and excluding GST amounting to ₹1.16 Lacs)

# This represents amount payable to its subsidiary Company, Srei Equipment Finance Ltd. in Trust and Retention Account (TRA)



# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## (C) Remuneration to Key Management Personnel (KMP):

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the year ended	Balance As at	For the year ended	Balance As at
		31st March, 2022		31st March, 2021	
Mr. Hemant Kanoria	Remuneration	-	-	90	-
Mr. Sandeep Lakhotia (ceased w.e.f. close of business hours of 20.03.2021)	Remuneration	-	12	76	12#
Mr. Rakesh Bhutoria (ceased w-e-f close of business hours of 15.09.2021)	Remuneration	107	70	259	70#
Mr. Souren Mukhopadhyay (w-e-f 30.06.2021)	Remuneration	49	-		
Mr. Sandeep Kumar Sultania (ceased w.e.f. close of business hours of 31.12.2021)	Remuneration	54	7	62	7#
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Remuneration	39	-	-	-
Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Remuneration	1	-	-	-
Mr. Shashi Bhushan Tiwari (from 20.05.2019 to 30.06.2020)	Consultancy	-	-	9	-
Mr. Sunil Kanoria	Sitting Fees	7	-	11	-
Mr. Malay Mukherjee	Sitting Fees	13	1	15	-
Mr. S.Rajagopal ceased (w.e.f 30.06.2021 from the close of business hours)	Sitting Fees	8	-	12	-
Dr. Deepali Pant Rajeev Joshi (w-e-f 30.06.2021)	Sitting Fees	3	-	-	-
Mr. Shyamalendu Chatterjee	Sitting Fees	9	0.48	10	-
Dr. Punita Kumar Sinha	Sitting Fees	9	-	11	-
Mr. Ram Krishna Agarwal (ceased w-e-f 17-09-2021)	Sitting Fees	9	1	12	-
Dr. Tamali Sengupta	Sitting Fees	9	-	9	-
Mr. Rajneesh Sharma	Remuneration	27	-	-	-
Mrs. Mahua Mukherjee, relative of KMP (w.e.f 30.06.2022)	Car Hire Charges	5	-	-	-
Mrs. Sangita Agarwal, relative of KMP (w.e.f 21.03.2022)	Car Hire Charges	***	-	-	-

#Balance as at 31st March, 2021, 30th Sep, 2021, 31st Dec, 2021 & 31st March 2022 is due to the restrictions imposed by the Lenders wherein the salary of employee was capped to ₹50 lacs p.a. during the period November, 2020 to March, 2021. The Company has made provision of arrear salary of those employees as the same is payable as per the contractual obligations.

Note : Figures pertaining to the previous period have been rearranged/ regrouped, wherever considered necessary, to make them comparable with those of the current period.

\*\*\* ₹ 16129/-

## (D) Compensation to KMPs:

(₹ in Lacs)

Particulars	2021-22	2020-21
Short-term benefit	329	543
Other long-term employee benefit	-	3
Post-employment benefit	15	31

## 46 Details of Loans/ Advances to Subsidiary Companies and Associates

Name of the Company	Maximum Amount Outstanding during		Amount Outstanding as at 31st March, *	
	2021-22	2020-21	2022	2021
Trinity Alternative Investment Managers Ltd. (Formerly Srei Alternative Investment Managers Limited)	-	200	-	-
Srei Mutual Fund Trust Private Limited	-	9	-	-
Srei Equipment Finance Limited	229*	229*	229*	229*

\*Excluding receivables towards GST for ₹38 lacs. (Previous year ₹38 Lacs) \*\*Net of (TDS and excluding GST amounting to ₹1.16 Lacs)

§ Subsidiary and Associates are as per Ind AS.

## 47. Leases

### a. In the capacity of Lessee

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(i) The Company has certain cancellable operating lease arrangements for office premises, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals.

(ii) The Company had no non-cancellable operating lease arrangements for office premises during current and previous year.

## Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

(iii) Disclosure in accordance to IndAS 116 is as below:

(₹ in Lacs)

Particulars	2021-22	2020-21
a Short term lease payment	-	-
b Expense relating to leases of low-value assets	-	-
c Variance lease payments not included in the measurement of lease liability	-	-
d Income from subleasing right of use assets	87	844
e Total Cash outflow for leases	604	745
f Interest expense on Lease liability	145	274

g The future lease payments considered for lease liability on an undiscounted basis are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	1	670
One to five years	1	1,627
More than five years	-	147
<b>Total</b>	<b>2</b>	<b>2,444</b>

h Details of right of use assets and its movement is as below:

(₹ in Lacs)

Particulars	As at April 1, 2021	Opening Additions	Adjustment	Closing As at 31st March, 2022
<b>Office Premises:</b>				
Right of use Assets	2,754	-	2,752	2
Accumulated Depreciation/ Amortisation	979	378	1,356	1
<b>Net Carrying amount</b>				<b>1</b>

Note: During the year lease with net carrying amount of ₹ 1,396/- lacs has been terminated.

(₹ in Lacs)

Particulars	As at April 1, 2020	Opening Additions	Adjustment	Closing As at 31st March, 2021
<b>Office Premises:</b>				
Right of use Assets	2,692	149	87	2,754
Accumulated Depreciation/ Amortisation	532	531	84	979
<b>Net Carrying amount</b>				<b>1,775</b>

i. The weighted average incremental borrowing rate applied to lease liability is as at 1st April, 2022 is 11.50%.

### b. In the capacity of Lessor

(i) The Company also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms.

(ii) Details of rental income towards operating lease for assets and office premises including sublease are as follows:

(₹ in Lacs)

Particulars	2021-22	2020-21
Rental Income on the basis of earnings of the Lessee	-	-
Others	396	1,391
<b>Total Rental Income</b>	<b>396</b>	<b>1,391</b>

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

(iii) Details of fixed future lease receivable towards operating lease for assets and office premises are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Within 1 year	362	355
1-2 year	301	289
2-3 year	284	298
3-4 year	284	284
4-5 year	295	284
> 5 year	897	1,192
<b>Total</b>	<b>2,423</b>	<b>2,702</b>

## 48. Maturity analysis of assets and liabilities

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. The Maturity analysis of assets and liabilities have been worked out based on certain assumption and principals as given in the note below.

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lacs)

Assets	As at March 31st, 2022			As at March 31st, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	1,100	-	1,100	1,731	-	1,731
Bank Balance other than above	250	3	253	1,924	74	1,998
Trade Receivables	1,078	-	1,078	1,204	-	1,204
Investments	-	28,446	28,446	5,022	56,163	61,185
Other Financial Assets	487	66	553	420	76	496
Current Tax Assets (Net)	120	7,840	7,960	120	7,368	7,488
Property, Plant and Equipment	-	9,421	9,421	-	9,655	9,655
Right to use assets	-	1	1	-	1,775	1,775
Other Intangible Assets	-	3	3	-	4	4
Other Non-Financial Assets	44	118	162	95	118	213

Liabilities	As at March 31st, 2022			As at March 31st, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Trade Payables #	969	-	1,135	381	-	381
Borrowings (Other than Debt Securities) *	-	-	25,723	-	28,055	28,055
Subordinated Liabilities	-	33,000	33,000	-	33,000	33,000
Lease Liabilities	1	1	2	657	1,337	1,994
Other Financial Liabilities @	639	610	16,377	2,689	15,662	18,351
Provisions	12	-8	4	45	6	51
Other Non-Financial Liabilities	148	-	148	155	40	195

# Repayments of Trade Payables admitted as claims pursuant to initiation of CIRP ( Refer Note No. 1.2) are not determinable.

\* For the current year, repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 55 and 56).

@ Payable of security deposits to SEFL and Employee Payable are not determinable pursuant to initiation of CIRP (Refer Note No. 55).

**49. Information as required by Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure – I attached herewith. These disclosures are prepared under Ind AS issued by MCA.**

## 50. Waiver of Interest on Non-convertible Perpetual Bond due to Covid-19

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.3300 lacs for the year ended March 31, 2022.

## 51. Business Transfer Agreement

During the year 2019-20, the Company and its Subsidiary Company, Srei Equipment Finance Limited ('SEFL') entered into a Business Transfer Agreement ('BTA') to transfer the Lending Business, Interest Earning Business and Lease Business of the Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL pursuant to the 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

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

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. As stated in Note-52 below, the Company is in the process of consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes as stated above. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained.

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 year ended March 31, 2022 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 and this fact has also been informed by the Administrator to the stakeholders. 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.

## 52. Consolidated Resolution under CIRP

In view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and SEFL, the Administrator, after adopting proper procedure, 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 audit of transactions in relation to Section 43, Section 45, Section 50 and Section 66 of the Code, issuance of single request for submission of resolution plans by the Administrator and the submission and consideration of single resolution plan, for the consolidated resolution of SEFL and SIFL in terms of the provisions of the Code; and
- Directing and permitting the submission and approval of one consolidated resolution plan for the resolution of SEFL and SIFL in terms of the provisions of the Code.

The application in this matter was admitted and the final order received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL. Further, the Company has received Expression of Interest from various prospective Resolution Applicants and the Company has finalized the list of the prospective Resolution Applicants who are in the process of submitting the resolution plan in terms of the Code.

## 53. Payment to lenders/others and claims under CIRP

CIRP has been initiated against the Company, as stated in Note No. 1.2 and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 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 May 4, 2022 is in the process of being verified/updated from time to time and wherever, the claims are admitted, the effect of the same has been given in the books of accounts.

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

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 54. Trust and Retention Account (TRA)

- a) The domestic lenders of the Company and SEFL stipulated Trust and Retention Account (TRA) mechanism w.e.f 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 accounted for interest of ₹2,686 Lacs for the year ended March 31, 2022 w.r.t. ICDs from SEFL nor accounted for rent of ₹703 Lacs from SEFL for the nine months ended December 31, 2021. The Audit Committee of SIFL and SEFL in their respective meetings dated August 14, 2021 and August 11, 2021 approved the waiver of aforesaid interest and rent between them.
- b) As at March 31, 2021 the Company was having funds amounting to ₹53 lacs in relation to the Corporate Social Responsibility ('CSR') which were unspent. These unspent amounts as per the requirements of Section 135 of the Act were to be transferred to funds specified under Schedule VII to the Act within a period of 6 months. However, the domestic lenders of the Company had stipulated TRA mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited.

## 55. Going Concern

The Company had reported operating losses during the year ended March 31, 2022 and earlier year/periods as well. Hence, the net worth of the Company has fully eroded.

There is persistent severe strain on the working capital and operations of the Company and it is undergoing significant financial stress. As stated in Note No. 1.2, CIRP was initiated in respect of the Company w.e.f. October 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.

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

## 56. 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 SEFL and also whether transactions with these connected parties 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. Such audit/review is in progress; hence these financials results are subject to outcome of such audit/review.

57. During the year ended March 31st, 2022, SEFL has invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL'), which were pledged with SEFL as security against the loan availed by one of the borrowers of SEFL. As at March 31st, 2022, these shares appear in the demat statement of the Company, whereas the borrower was transferred to the Company pursuant to BTA, as stated in Note No. 51 above. The Company is in the process of getting these shares transferred in its name. Till such name transfer, The Company is holding these shares in trust for SEFL for disposal in due course.

SEFL has no intention to exercise any control/significant influence over STPL in terms of Ind AS 110/Ind AS 28.

SEFL has taken an expert opinion, which confirms that since it is not exercising any significant influence/control over STPL, hence, STPL is not a subsidiary/associate in terms of Ind AS 110/Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.

58. Based on the information available in the public domain, few lenders have declared the bank account of the Company as fraud. However, in case of one of the lender, on the basis of petition filed by the ex-promoters, Hon'ble High Court of Delhi has restrained the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the petitioner's bank account as fraud. The next hearing in the matter has been listed on August 23, 2022.

59. As a part of the ongoing CIRP process the Administrator has appointed two (2) independent valuers to conduct the valuation of the assets of the Company & SEFL and assets/collateral held as securities as required under the provisions of the Code. Accordingly, the financial results, disclosures, categorization and classification of assets are subject to the outcome of such valuation process.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 60. Analytical Ratios

Particulars	As at March 31st, 2022			As at March 31st, 2021	% Variance	Reasons for variance (if above 25%)
	Numerator (A)	Denominator (B)	Ratio (A/B)			
Capital to risk-weighted assets ratio (CRAR) #	(5,353)	68,452	-7.82%	25.83%	-33.65%	
Tier I CRAR #	(5,353)	68,452	-7.82%	17.22%	-25.04%	*
Tier II CRAR #	30,881	68,452	45.11%	8.61%	36.50%	
Liquidity Coverage Ratio	Not Applicable					
(A) numerator denotes Net Owned fund.						
(B) demoninator denotes Total Risk Weighted Assets / Off books exposures						
* Reasons for variances are not determinable pursuant to initiation of CIRP						

**61.** In accordance to Ind AS 108 - "Operating Segments", the required disclosure is done in the Consolidated Financial Statement of the Company.

**62.** The Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated investigation into the affairs of SIFL and SEFL under Section 206(5) of the Act and it is under progress.

**63.** List of Creditors (including Financial, Operational, Workmen & Employees and Other Creditors) and Security Interest, as approved by RP, disclosed on Company Website for all claims received till 28th February, 2022 pursuant to public announcement made on 8th October, 2021 in accordance with section 13 and 15 of Insolvency and Bankruptcy code, 2016 read with Regulation 6 of CIRP Regulations.

**64.** Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

### For D. K. Chhajjer & Co.

Chartered Accountants  
ICAI Firm Registration No. 304138E

### Manoj K Roongta

Partner  
Membership No. 057761  
Place : Kolkata  
Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

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

Email ID for Correspondence - sreiaadministrator@srei.com

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

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

### Rajneesh Sharma

Administrator Appointed Under IBC



# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS (Refer Note No. 49)

**Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

### 1. Capital to Risk Assets Ratio (CRAR)

(₹ in Lacs)

Sl. Particulars	As at 31st March 2022	As at 31st March 2021
i) CRAR (%)	-7.82%	25.83%
ii) CRAR – Tier I Capital (%)	-7.82%	17.22%
iii) CRAR – Tier II Capital (%)	0.00	8.61%
iv) Amount of subordinated debt raised as Tier-II capital *	-	-
v) Amount raised by issue of Perpetual Debt Instruments *	-	-

\* During the year figure

### 2. Exposure to Real Estate Sector

(₹ in Lacs)

Category	As at 31st March 2022	As at 31st March 2021
<b>a) Direct exposure</b>		
i) Residential Mortgages	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
iv) Infrastructure Real Estate (SEZ's, Industrial Parks, IT Parks, Hotels)	-	-
<b>b) Indirect exposure</b>	<b>186</b>	<b>205</b>

### 3. Asset Liability Management

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

(₹ in Lacs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits (Unclaimed)	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments [refer note-1 below]	-	-	-	-	-	-	-	25,429	-	3,017	28,446
Borrowings (refer note-2 below)	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

#### Notes:

- The maturity pattern of Investments has been considered on the basis of Managements best estimates.
- For the current year, repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 55 and 56).
- Perpetual Debt Instruments amounting to ₹ 33,000 lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Maturity pattern of certain items of assets and liabilities as at 31st March, 2021 are as follows:

Particulars	(₹ in Lacs)										
	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits (Unclaimed)	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments [refer note-1 below]	-	-	-	-	-	-	5,022	53,156	-	3,017	61,185
Borrowings (refer note-2 below)	-	-	-	-	-	-	-	28,055	-	-	28,055
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

### Notes:

- The maturity pattern of Investments has been considered on the basis of Managements best estimates.
- The amount of Advance and Borrowings considered above is as per commercial terms & without adjusting origination fees or cost being part of EIR.
- Perpetual Debt Instruments amounting to ₹33,000 lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>4 Liabilities Side</b>				
<b>4 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures/ Bonds:				
Secured	-	-	-	-
Unsecured (Other than falling within the meaning of public deposit)	33,000	-	33,000	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	25,723	-	28,055	2386 #
(e) Commercial Papers	-	-	-	-
(f) Public Deposit	-	-	-	-
(g) Other Loans:				
Working capital facility	-	-	-	-
<b>Break-up of (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

# Amount overdue represents interest payable on intercorporate deposit received from a wholly owned subsidiary company. The amount is payable as per terms of the agreement. The consortium of lenders has restricted the transaction with related parties and pending approval, the payment is not done.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

**Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

(₹ in Lacs)

Assets Side	As at 31st March 2022 Amount Outstanding	As at 31st March 2021 Amount Outstanding
<b>5 Break-up of Loans and Advances including bills receivables [other than those included in (6) below]:</b>		
(a) Secured	-	-
(b) Unsecured	-	-
<b>6 Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities</b>		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>7 Break up of Investments \$</b>		
<b>Current Investments</b>		
1 Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2 Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
<b>Long-Term investments</b>		
1 Quoted:		
(i) Shares: (a) Equity	20,306	17,305
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	1	1
(iv) Government Securities	-	-
(v) Others	-	-

\$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA. All investment are considered as Long term investment for above disclosure.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Lacs)

Assets Side	As at	As at
	31st March 2022	31st March 2021
	Amount Outstanding	Amount Outstanding
2 Unquoted:		
(i) Shares: (a) Equity	3,054	3,056
(b) Preference	-	-
(ii) Debentures, bonds / units	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Investment in Funds, Trust, Share Warrant & Deemed Investment)	5,085	40,823

## 8. Borrower group-wise classification of assets financed as in (5) and (6) above:

(₹ in Lacs)

Category	As at 31st March, 2022			As at 31st March, 2021		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2 Other than related parties	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

## 9. Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) @:

(₹ in Lacs)

Category	As at 31st March, 2022		As at 31st March, 2021	
	Market Value / Break up or fair value or NAV *	Book Value (net of provisions)	Market Value / Break up or fair value or NAV *	Book Value (net of provisions)
	1 Related Parties **			
(a) Subsidiaries	3,103	3,017	3,268	3,017
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	25,429	25,429	58,168	58,168
<b>Total</b>	<b>28,532</b>	<b>28,446</b>	<b>61,436</b>	<b>61,185</b>

\*\* As per Ind AS issued by MCA (Please see note 3 below)

@ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA.

## 10. Other Information

(₹ in Lacs)

Particulars	As at	As at
	31st March 2022	31st March 2021
	Amount	Amount
i. Gross Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related Parties	-	-
ii. Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related Parties	-	-
iii. Assets acquired in satisfaction of debt	-	-

### Notes:

- As defined in point xxvi of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- Provisioning norms shall be applicable as prescribed in Ind AS issued by MCA.
- All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets acquired in satisfaction of debt.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 11. Investments

(₹ in Lacs)

SI Particulars	As at 31st March 2022	As at 31st March 2021
1) Value of Investments		
i) Gross Value of Investments		
a) In India	339,639	372,378
b) Outside India,	-	-
ii) Provisions for Depreciation		
a) In India	311,193	311,193
b) Outside India,	-	-
iii) Net Value of Investments		
a) In India	28,446	61,185
b) Outside India,	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening Balance	311,193	693
ii) Add : Provisions made during the year	-	310,500
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing Balance	311,193	311,193

### 12. Forward Rate Agreement / Interest Rate Swap

(₹ in Lacs)

SI Particulars	As at 31st March 2022	As at 31st March 2021
i) The notional principle of swap agreements	Nil	Nil
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
iv) Concentration of credit risk arising from the swaps	Nil	Nil
v) The fair value of the swap book	Nil	Nil

### 13. Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lacs)

SI Particulars	As at 31st March 2022	As at 31st March 2021
i) Notional Principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil	Nil
ii) Notional Principal amount of exchange traded IR derivatives outstanding (instrument-wise)	Nil	Nil
iii) Notional Principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

### 14. Disclosures on Risk Exposure in Derivatives

#### (i) Qualitative Disclosure

The structure and organization for management of risk in derivatives trading, is not applicable since the Company is not engaged in derivative trading.

#### (ii) Quantitative Disclosures

(₹ in Lacs)

Currency Derivatives	As at March 31, 2022		As at March 31, 2021	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
For hedging	Nil	Nil	Nil	Nil
ii) Marked to Market Positions [1]				
a) Asset (+)	Nil	Nil	Nil	Nil
b) Liability (-)	Nil	Nil	Nil	Nil
iii) Credit Exposure [2]	Nil	Nil	Nil	Nil
iv) Unhedged Exposures	-	-	-	-

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 15. Exposure to Capital Market

(₹ in Lacs)

SI	Particulars	As at 31st March 2022	As at 31st March 2021
i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	23,360	20,361
ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	bridge loans to companies against expected equity flows / issues;	-	-
viii)	all exposures to Venture Capital Funds (both registered and unregistered)	5,085	40,823
<b>Total Exposure to Capital Market</b>		<b>28,445</b>	<b>61,184</b>

### 16. Provisions and Contingencies

(₹ in Lacs)

SI	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31st March 2022	As at 31st March 2021
i)	Provisions for depreciation on Investment	-	45
ii)	Provision for Impairment on Loans	-	-
iii)	Provision made towards Income tax	-	(19,446)
iv)	Provision for Standard Assets#	-	-
v)	Other Provision and Contingencies (with details)	-	-
Provision for Impairment on other financial assets		457	1,427

# Provision for standard assets is included in Provision for Impairment on Loans.

### 17. Concentration of Advances

(₹ in Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021
Total Advances to twenty largest borrowers	-	-
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.00%	0.00%

### 18. Concentration of Exposures

(₹ in Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021
Total Exposure to twenty largest borrowers / customers	-	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.00%	0.00%

### 19. Concentration of NPAs @

(₹ in Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021
Total Exposure to top four NPA accounts	-	-

@ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.



# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

**Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

## 20. Sector-wise NPAs

(₹ in Lacs)

SI	Sector	As at	As at
		31st March 2022	31st March 2021
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Others	-	-

## 21. Movement of NPAs \$

(₹ in Lacs)

SI	Particulars	As at	As at
		31st March 2022	31st March 2021
i)	Net NPAs to Net Advances (%)	0.00%	0.00%
ii)	Movement of NPAs (Gross)		
a)	Opening Balance	-	-
b)	Additions during the year	-	-
c)	Reductions during the year	-	-
d)	Closing Balance	-	-
iii)	Movement of Net NPAs		
a)	Opening Balance	-	-
b)	Additions during the year	-	-
c)	Reductions during the year	-	-
d)	Closing Balance	-	-
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening Balance	-	-
b)	Provisions made during the year	-	-
c)	Write-off / write-back of excess provisions	-	-
d)	Closing Balance	-	-

\$ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

## 22. Details of Non-performing Loan Assets purchased from other NBFCs

(₹ in Lacs)

SI	Particulars	As at	As at
		31st March 2022	31st March 2021
(i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

## 23. Details of Non-performing Loan Assets sold to other NBFCs

(₹ in Lacs)

SI	Particulars	As at	As at
		31st March 2022	31st March 2021
i)	No. of accounts sold	-	-
ii)	Aggregate outstanding	-	-
iii)	Aggregate consideration received	-	-

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

**Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

## 24. Ratings

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	CARE	Brickwork	CARE	Brickwork
i) Long Term Banking facilities*				
ii) Short Term Banking Facilities*				
iii) Short Term Debt Instruments *@				
iv) NCDs / Bonds*				
v) Unsecured Subordinated / Tier-II Debentures / Bonds*				
vi) Subordinated Perpetual bonds/ debentures (Tier I Capital)		BWR D		BWR BB #

### Detail of migration of ratings:

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	CARE	Brickwork	CARE	Brickwork
i) Long Term Banking facilities*				
ii) Short Term Banking Facilities*				
iii) Short Term Debt Instruments *@				
iv) NCDs / Bonds*				
v) Unsecured Subordinated / Tier-II Debentures / Bonds*				
vi) Subordinated Perpetual bonds/ debentures (Tier I Capital)		From BB to D		from BBB+ to BB #

CARE: CARE Ratings Limited; Brickwork: Brickwork Ratings

\* Borrowings transferred to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, as part of the business of the Company transferred to SEFL on and from 1st October, 2019. The Rating Agencies is still continuing to issue the ratings in the name of the Company. As there is no outstanding in the books of the Company, the same is not being considered in the above table of outstanding ratings including its migration.

@Other than Commercial Papers.

# The ratings is subsequently downgraded to 'D'.

## 25. Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(₹ in Lacs)

Particulars	2021-22	2020-21
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / (loss) over net book value	-	-

## 26. Details of Security receipts held by Company is as below:

(₹ in Lacs)

Particulars	Backed by NPAs sold by the Banks/ FIs/NBFC's as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Under Investment	-	-	-	-	-	-
Under Loans	-	-	-	-	-	-

## 27. Details of Assignment transactions undertaken

(₹ in Lacs)

Particulars	2021-22	2020-21
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / (loss) over net book value	-	-

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 28. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the Prudential exposure limits during the current year and previous year in respect of exposure towards single borrower and group of borrowers.

### 29. Unsecured Loans

Unsecured Loans as at 31st March, 2022 is ₹Nil (Previous year ₹Nil) and it includes advances amounting to ₹Nil (Previous year ₹Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

### 30. Registration obtained from other financial sector regulators

The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 1st August, 1998 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration B-05.02773 / dt. 31 March 2011. The Company has received communication from RBI, to reclassify it as Investment and Credit Company for which the company has made representation to RBI that the Company is under CIRP, the Company shall take suitable action post completion of CIRP. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956.

### 31. Disclosure of Penalties imposed by RBI and other regulators

No penalties has been imposed by RBI and other regulators during the financial year ended 31st March, 2022 and 31st March, 2021.

### 32. Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 19 of the Notes to the Financial Statements.

### 33. Off-balance Sheet SPVs sponsored

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Domestic	Overseas	Domestic	Domestic
Name of SPV sponsored	Nil	Nil	Nil	Nil

### 34. Details of Financing of Parent Company Products

Financing of Parent Company Products during the financial year ended 31st March, 2022 is Nil (Previous year Nil).

35. The Company has not done any Securitisation during the financial year ended 31st March, 2022 and 31st March, 2021.

### 36. Customer Complaints

(₹ in Lacs)

Particulars	2021-22	2020-21
a) No. of complaints pending at the beginning of the year	Nil	Nil
b) No. of complaints received during the year	Nil	Nil
c) No. of complaints redressed during the year	Nil	Nil
d) No. of complaints pending at the end of the year		

### 37. Disclosure of Fraud

DISCLOSURES RELATING TO FRAUD IN TERMS OF THE NOTIFICATION ISSUED BY RESERVE BANK OF INDIA VIDE DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17

During the year ended 31st March, 2022, no fraud was committed and reported to the RBI.

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

38. The following table provides reconciliation of expected credit loss provided by the company in books under the provisions of Indian Accounting Standards with provisions required under norms prescribed by Reserve Bank of India.

As at 31st March, 2022:

(₹ in Lacs)

Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms*	Stage 1	-	71	(71)	-	71
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		-	<b>71</b>	<b>(71)</b>	-	<b>71</b>
<b>Total</b>	<b>Stage 1</b>	-	-	-	-	-
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	<b>71</b>	<b>(71)</b>	-	<b>71</b>
	<b>Total</b>	-	<b>71</b>	<b>(71)</b>	-	<b>71</b>

# Notes to the Financial Statements

for the year ended 31st March, 2022 (Contd.)

As at 31st March, 2021:

(₹ in Lacs)

Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms*	Stage 1	-	71	(71)	-	71
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		-	71	(71)	-	71
<b>Total</b>	<b>Stage 1</b>	-	71	(71)	-	71
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	-	-	-	-
	<b>Total</b>	-	71	(71)	-	71

\* In accordance to IndAS 109, Financial guarantees are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115. Therefore, impairment provision on financial guarantee is disclosed as part of Financial Guarantee Liability under Note no. 18 'Other Financial Liabilities' to the financial statement.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Company measures the loss allowance under simplified approach as specified in IndAS 109, wherein staging is not required. Therefore, same is not considered in above disclosure.

### 39. Disclosure on moratorium to borrowers in terms of RBI circular dated 17th April, 2020

The Company is not undertaking lending business. Therefore, there are no such case as on 31st March, 2022 and 31st March, 2021

### 40. Disclosures on MSME – Restructuring of Advances (RBI/2018-19/10 DBR.No.BP.BC.18/ 21.04.048/2018-19) dated 01.01.2019 and subsequent amendment thereto dated 11.02.2020 as required by RBI guidelines on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

The Company is not undertaking lending business. Therefore, there are no such case for disclosure under above.

### 41. Disclosures as required by RBI circular dated August 6, 2020 'Resolution Framework for COVID 19- related Stress' are as below:

The Company is not undertaking lending business. Therefore, there are no such case for disclosure under above.

# Independent Auditors' Report

To the Members of Srei Infrastructure Finance Limited

## Report on the Audit of the Consolidated Financial Statements

### Disclaimer of Opinion

We were engaged to audit the Consolidated Financial Statements of Srei Infrastructure Finance Limited ("hereinafter referred to as "the Holding Company" or "SIFL") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and trust, which comprise the Consolidated Balance Sheet as at 31 March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

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

### Basis for Disclaimer of Opinion

- a) We draw reference to Note No. 1(a) and 1.1 to the Consolidated Financial Statements which explains that the Administrator has initiated audits/reviews relating to the processes and compliances of SIFL and its subsidiary, Srei Equipment Finance Limited ("hereinafter referred to as "SEFL") and has appointed professionals for conducting transaction audit as per Sections 43, 45, 50 and 66 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code'). Hence, the Consolidated Financial Statements are 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 Consolidated Financial Statements. Further, the Notes also explain that since the Administrator has taken charge of the affairs of SIFL and SEFL on 4 October, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to 4 October, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL who were also part of the respective Companies prior to the appointment of the Administrator.
- b) We draw reference to Note No. 54(b) to the Consolidated Financial Statements which explains that the latest valuations from independent valuers as a part of Corporate Insolvency Resolution Process ("CIRP") in respect of assets / collaterals held as securities and considered for loan loss provision is in progress. Further, the Note also explains that, the Consolidated Financial Statements, disclosures, categorization and classification of assets are subject to the outcome of such valuation process. Hence, pending completion of the process, we are unable to comment on the impact of the same, if any, on the Consolidated Financial Statements.
- c) We draw reference to Note No. 55 to the Consolidated Financial Statements which explains that during the financial year 2019-20, the Holding Company and SEFL accounted for the slump exchange transaction and consequently recognized and derecognised relevant assets and liabilities in the books of account, pursuant to the Business Transfer Agreement ('BTA') with effect from 1 October, 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, SEFL had filed two separate applications under Section 230 of the Companies Act, 2013 ("the Act") before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Schemes were pending before NCLT/NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. Both the Schemes were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in this matter which has been allowed by the Tribunal vide order dated 11 February, 2022.

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

- d) We draw reference to Note No. 57 to the Consolidated Financial Statements which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on 8 October, 2021, admitted by the Administrator till 4 May, 2022 is in the process of being verified and updated from time to time as and when the claims are admitted and that the creditors can file their claims during CIRP. Accordingly, the figures of claims admitted and accounted in the books of account 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 Consolidated Financial Statements.

Note No. 57 to the Consolidated Financial Statements also explains that SEFL as per the Code on the date of commencement of CIRP i.e. 8 October, 2021 has converted foreign currency debt into INR and accordingly has not translated its foreign currency exposure as on 31 March, 2022, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Consolidated Financial Statements.

- e) We draw reference to Note No. 58 to the Consolidated Financial Statements which states that SEFL has not provided for ₹1,99,970 lacs (approx.) for the year ended 31 March, 2022 pursuant to its admission under the CIRP, in respect of its obligation for interest on all the borrowings since insolvency commencement date i.e. 8 October, 2021. Had SEFL provided its obligation for interest, as aforesaid, its profit before tax for the year ended 31 March, 2022 would have resulted in a loss before tax of ₹ 4,47,380 lacs for the year ended 31 March, 2022.
- f) We draw reference to Note No. 59 to the Consolidated Financial Statements which explains the reasons owing to which SEFL has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to ₹27,272 lacs, as per contractual terms, as at 31 March, 2022. As stated in the said note, SEFL has reported the above fact to RBI and reply of the



same is awaited from RBI. We are unable to comment on the impact of the same or other consequences arising out of such non-compliance, if any, on the Consolidated Financial Statements.

- g) We draw reference to Note No. 62 to the Consolidated Financial Statements 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 SIFL or to SEFL and also whether transactions with these connected parties 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 and re-negotiating terms and conditions with such borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project. However, the said process was not concluded and meanwhile SIFL and SEFL had 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 and has also appointed professionals for conducting transaction audit as per sections 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 Consolidated Financial Statements.
- h) We draw reference to Note No. 63 to the Consolidated Financial Statements which explains that based on the directions of RBI, SEFL has made provisions amounting to ₹9,807 lacs and ₹4,991 lacs in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. However, SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Hence, in absence of such assessment, we are unable to comment on any non-compliance with Ind AS and the corresponding impact, if any of the same on the Consolidated Financial Statements.
- i) We draw reference to Note No. 64 to the Consolidated Financial Statements which explains the reasons owing to which SIFL and SEFL were not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated in the said note, SIFL and SEFL have written to the Ministry of Corporate Affairs ("MCA") seeking exemption from the obligations of the Companies under portions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Consolidated Financial Statements
- j) We draw reference to Note No. 66 to the Consolidated Financial Statements which states that SEFL has not been able to maintain the asset cover as stated in the information memorandum/ debenture trust deeds etc. which is sufficient to discharge the principal amount at all times for the secured non-convertible debentures issued by SEFL. Further, as stated in the said Note and paragraph (b) above, latest valuations from independent valuers in respect of assets is in progress, and accordingly, the percentage of asset cover given in Note No. 66 to the Consolidated Financial Statements is subject to the outcome of such valuation process. Hence, we are unable to comment on Note No. 66 as given in the Consolidated Financial Statements.
- k) We draw reference to Note No. 67 to the Consolidated Financial Statements which explains that in relation to certain borrowings (including secured borrowings and NCDs) acquired by SEFL from SIFL pursuant to BTA as stated in Note No. 55 to the Consolidated Financial Statements, charges created on such borrowings are yet to be transferred in the name of SEFL and are still appearing in the name of the Holding Company for the reasons stated in the said Note. We are unable to comment on the impact of the same or any other consequences arising out of it on the Consolidated Financial Statements.
- l) We draw reference to Note No. 68 to the Consolidated Financial Statements which explains the reasons owing to which the SEFL was not able to comply with the requirements of Section 125 of the Act in relation to transfer of certain amounts lying unpaid for 07 years to Investor Education and Protection Fund ('IEPF'). As stated, in the said note, SEFL has written to IEPF authorities and requested guidance in the matter. We are unable to comment on the impact of the same or other consequences arising out of such non-compliance, if any, on the Consolidated Financial Statements.
- m) SEFL's auditors had carried out independent balance confirmation process with respect to various parties/lenders, responses for which are pending to be received as on the date of signing this report. Also, the project progress report, for the year ended 31 March, 2022, from various parties is yet to be received. Hence, we are unable to comment on such balances and status and impact of the same on the Consolidated Financial Statements, if any.
- n) We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee and Joint Lenders are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and Hon'ble NCLT. Accordingly, we are unable to comment on the possible financial effects on the Consolidated Financial Statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.
- o) In view of the possible effects of the matters described in paragraph 5(a) to 5(n) above, we are also unable to comment on the SEFL's compliance of the covenants in respect of all borrowings (including creation of charges) and consequential implications including disclosures etc., if any.
- p) In view of the possible effects of the matters described in paragraph 5(a) to 5(o) above, we are unable to determine the consequential implications arising therefrom and whether any adjustments, restatement, disclosures or compliances are necessary in respect thereof in the Consolidated Financial Statements.

#### Material Uncertainty Related to Going Concern

We draw attention to Note No. 61 to the Consolidated Financial Statements 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 year ended 31 March, 2022 and earlier year as well. As a result, the Group's net worth has fully eroded and it has not been able to comply with various regulatory ratios/limits etc. All this have impacted the 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 SEFL have considered it appropriate to prepare their Consolidated Financial Statements on a going concern basis.

### Emphasis of Matters

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

- a) Note No. 54(a) to the Consolidated Financial Statements which explains the extent to which Covid-19 pandemic has impacted the operations of the Group. Further, the extent to which there may be further impact on the operations, financial results and asset quality of the Group is highly uncertain at this point of time. As stated in Note No. 54(b) to the Consolidated Financial Statements based on the overall assessment of financial stress being faced by the borrowers and the lessees and covering the overall economic and business uncertainty, SEFL has made ECL provision aggregating to ₹1,75,003 lacs for the year ended 31 March, 2022 respectively. Also, as stated in the said Note, SEFL in view of the uncertainty, as stated in Note No. 54(a) to the Consolidated Financial Statements, has made further provision of ₹10,329 lacs, as management overlay, during the year ended 31 March, 2022 which is over and above the provision as required by the ECL model of SEFL.
- b) Note No. 54(c) to the Consolidated Financial Statements which states that the Holding Company had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, the Holding Company has not accrued interest of ₹3,300 lacs for the year ended 31 March, 2022.
- c) Note No. 56 to the Consolidated Financial Statements which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the Holding Company and SEFL, the Administrator, after adopting proper procedure, has filed applications before the Hon'ble NCLT, Kolkata Bench seeking, amongst other things, consolidation of the CIRP of the Holding Company and SEFL. The application in the matter is admitted and the final order was received on 14 February, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of the Holding Company and SEFL.
- d) Note No. 60 to the Consolidated Financial Statements which explains that SIFL is holding 18,80,333 units in Infra Construction Fund, managed by Trinity Alternative Investments Managers Limited (TAIML). TAIML is a 51% subsidiary of the Holding Company. For the purpose of NAV of such units, TAIML, acting as fund manager has forwarded the valuation report as on 31 March, 2022 to the Holding Company, valuing such units at Nil. As on 31 December, 2021, TAIML had reported value of these units as ₹53,065 lacs under the same circumstances which continue as on 31 March, 2022. The Holding Company has not accepted the basis of such valuation and is currently enquiring the basis of the same. The Holding Company, only for the purpose of compliance has given effect to the said valuation and such value of investment in the Holding Company's books is subject to outcome of enquiry and explanations being sought from TAIML.
- e) Note No. 69 to the Consolidated Financial Statements which explains that the Holding Company during the year ended 31 March, 2022 on behalf of SEFL, had invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL'), which were pledged as security against the loan availed by one of the borrowers of SEFL. These shares appear in the De-mat statement of the Company, whereas the borrower was transferred to SEFL pursuant to BTA. SEFL is in the process of getting these shares transferred in its name. Till such name transfer, the Company is holding these shares in trust for SEFL for disposal in due course. SEFL has taken an expert opinion, which confirms that since the Company is not exercising any control / significant influence over STPL, hence, STPL is not a subsidiary/associate in terms of Ind AS 110/Ind AS 28 and accordingly is not required to prepare Consolidated Financial Statements with respect to its holding of 49% of the equity shares of STPL.

- f) Note No. 73 to the Consolidated Financial Statements which states that based on the information available in the public domain, forensic audit was conducted on SIFL and SEFL and few lenders have declared the bank account of SIFL and SEFL as fraud. However, in case of some lenders, on the basis of petition filed by the promoters, Hon'ble High Court of Delhi has restrained the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the petitioner's bank account as fraud. The next hearing in the matter has been listed on 23 August, 2022. Reports of such forensic audit were not made available to us.
- g) Note No. 74 to the Consolidated Financial Statements which states that the MCA vide its letter dated 27 September, 2021 has initiated investigation into the affairs of the Holding Company and SEFL under Section 206(5) of the Act and it is under progress.

Our opinion is not modified in respect of the above matters.

### Responsibilities of the Administrator, the Existing Officials and Those charged with Governance of the Group for the Consolidated Financial Statements

The 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 and SEFL and appointed an Administrator under Section 45.1E (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45.1E (5) (a) of the RBI Act, has constituted a three-member Committee of Advisors for advising the Administrator.

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

We refer to Note No. 1(a) to the Consolidated Financial Statements which states that the Consolidated Financial Statements has been taken on record by the Administrator while discharging the powers of the Board of Directors of SIFL and SEFL which were conferred upon him by the RBI and subsequently by the Hon'ble NCLT vide its order dated 8 October, 2021. Further the Note also explains that since the Administrator has taken charge of the affairs of SIFL and SEFL on 4 October, 2021, the Administrator is not liable or responsible for any actions and with respect to the information pertaining to the period prior to 4 October, 2021, he has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL, who were also part of the respective Companies prior to the appointment of the Administrator.

The Administrator and the existing officials of SIFL and SEFL ('the Management') and the respective Board of Directors of the other Companies included in the Group and the trustees of the Trust are responsible for the matters stated in Section 134(5) of the Act with respect to preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive loss), consolidated changes in equity and consolidated cash flows of the Group including its Trust in

accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The Management, the respective Board of Directors of the other Companies included in the Group and the trustees of the Trust are also responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the Management, the respective Board of Directors of the other Companies included in the Group and the trustees of the Trust are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administrator either intends to liquidate SIFL and SEFL or to cease operations, or has no realistic alternative but to do so.

The Management, the respective Board of Directors of the other Companies included in the Group and the trustees of the Trust are also responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated Financial Statements in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Consolidated Financial Statements.

We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the relevant rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

#### **Other Matters**

- i. We did not audit the financial statements of 08 subsidiaries whose financial statements reflect total assets of ₹26,69,054 lacs as at 31 March, 2022, total revenue of ₹3,08,101 lacs, total net profit after tax of ₹(2,54,590) lacs and total comprehensive income of ₹(2,87,725) lacs for year ended 31 March, 2022 respectively and net cash inflows amounting to ₹85,588.41 lacs for the year ended 31 March, 2022, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid entities, is based solely on the reports of the other auditors.
- ii. The Consolidated Financial Statements includes the unaudited financial statements of 02 subsidiaries and 01 trust and unsigned financial statements of 02 subsidiaries whose financial statements reflect total

assets of ₹44,066 lacs as at 31 March, 2022, total revenues ₹1376 lacs, total net profit after tax of ₹115 lacs and total comprehensive income of ₹30,458 lacs for the year ended 31 March, 2022 respectively and net cash inflows amounting to ₹ (21.41) lacs for the year ended 31 March, 2022, as considered in the Consolidated Financial Statements. These unaudited financial statements / unsigned financial statements have been furnished to us by the existing management of the Holding Company and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, and trust is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the existing management of the Holding Company, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the unaudited financial statements certified by the management / trustees of the respective entities.

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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries and trust, as noted in the "Other matters" section above, we report, to the extent applicable, that:
  - (a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Consolidated Financial Statements. However, to the extent as described in the "Basis for Disclaimer of Opinion" paragraph, we were unable to obtain such information and explanations;
  - (b) Due to the effects / possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report and more particularly paragraph (c) of the same in relation to the uncertainties regarding accounting of BTA, we are unable to comment on maintenance of proper books of account, as required by law, by the Group so far as appears from our examination of those books and the reports of other auditors;
  - (c) Read with the matters described in "Basis for Disclaimer of Opinion" section of this report, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - (d) Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of our Report, we are unable to state whether the aforesaid Consolidated Financial Statements comply with the Ind AS prescribed under section 133 of the Act read with the relevant rules issued thereunder;
  - (e) The matters described under the "Basis for Disclaimer of Opinion", "Material Uncertainty Related to Going Concern" and "Emphasis of Matters" section above, in our opinion, may have an adverse effect on the functioning of the Group;
  - (f) We have been explained that RBI vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the RBI Act superseded the Board of Directors of SIFL and SEFL and appointed an Administrator under Section 45-IE (2) of the RBI

Act. Further, RBI, in exercise of powers conferred under section 45-1E (5) (a) of the RBI Act, has constituted a three-member Committee of Advisors for advising the Administrator. Accordingly, SIFL and SEFL have filed form DIR-12 and form GNL 2 on 11 October, 2021 and 1 February, 2022 respectively in respect of vacation of office of the erstwhile directors of the Companies, hence there is no Board of Directors in SIFL and SEFL as on 31 March, 2022 and reporting in terms of Section 164(2) of the Act is not required in respect of SIFL and SEFL.

Based on the reports of the statutory auditors of the other subsidiary companies incorporated in India, none of the directors of the subsidiaries incorporated in India, is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) The reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for Disclaimer of Opinion" section of our Report, read with paragraph 2(b) above.
- (h) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which expresses a disclaimer of opinion on the Group's internal financial controls with reference to Consolidated Financial Statements of the Group for the reasons stated therein;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, and to the best of our information and according to the explanations given to us:
- i. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of our Report and in absence of confirmations from the legal counsels/lawyers of the Group and Trust, we are unable to state whether the Group and Trust have disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 32 on Contingent Liabilities to the Consolidated Financial Statements.
  - ii. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of our Report, we are unable to comment whether provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts have been made in the Consolidated Financial Statements.
  - iii. As stated in Note no. 68 to the Consolidated Financial Statements and paragraph 1 of the "Basis for Disclaimer of Opinion" section of our report, SEFL has not been able to transfer the amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. In respect of the Holding Company and other subsidiaries, incorporated in India, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the respective Companies during the year ended 31 March, 2022.
  - iv. (a) The Management of the Group has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 40 (A) to the Consolidated Financial Statements);

- (b) The Management of the Group has represented that, to the best of its knowledge and belief, no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 40 (B) to the Consolidated Financial Statements);
  - (c) Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of our Report, we are unable to comment whether the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under points (a) and (b) above, contain any material misstatement.
- v. The Group has not proposed/declared/paid any dividend during the year. Hence, reporting the compliance with Section 123 of the Act is not applicable.
  2. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:
 

During the year, the Holding Company has not paid or provided any managerial remuneration to its Directors. Further, the RBI vide press release dated 4 October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the RBI Act superseded the Board of Directors of the Holding Company and SEFL and appointed an Administrator under Section 45-IE (2) of the RBI Act. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we are unable to comment whether the managerial remuneration paid/ provided by SEFL during the year is in accordance with the provisions of Section 197 of the Act.

According to the information and explanations given to us and based on the reports of the statutory auditors of the other subsidiary companies incorporated in India, the managerial remuneration paid or provided to the directors during the year by such subsidiary companies incorporated in India is in accordance with the provisions of section 197 of the Act.
  3. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of the subsidiaries, incorporated in India, as noted in the "Other Matters" section, we give in the "Annexure B" a statement on the matters specified in paragraph 3(xxi) of the Order.

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

Firm Registration No. 304138E

**Manoj k Roongta**  
Partner

Membership No. 057761  
UDIN: 22057761AJTXKT3795

Place: Kolkata  
Date: 27th May, 2022



## Annexure A to the Independent Auditors' Report

[Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Consolidated Financial Statements for the year ended 31 March, 2022]

### **Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We were engaged to audit the internal financial controls with reference to the Consolidated Financial Statements of Srei Infrastructure Finance Limited ("the Holding Company"), its subsidiary Companies and its trust, which are incorporated in India, as at 31 March, 2022 in conjunction with our audit of the Consolidated Financial Statements for the year ended on that date.

### **Responsibilities of the Administrator, the Existing Officials of the Group and Those charged with Governance for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Disclaimer of Opinion**

Consequent to the matters mentioned in Note No. 1 (a) of the Consolidated financial statements of the Group, the matters described in the "Basis for Disclaimer of Opinion" section of our Independent Auditor's Report of even date on the Consolidated financial statements and based on consideration of reports of other auditors as mentioned in Other Matters paragraph below, we are unable to determine if the Holding Company and its subsidiary companies, which are Companies incorporated in India have established adequate internal financial controls with reference to Consolidated financial statements and whether they were operating effectively as at 31 March, 2022. Accordingly, we do not express an opinion on the internal financial controls with reference to Consolidated Financial Statements.

### **Explanatory Paragraph**

We were engaged to audit, in accordance with the Standards on Auditing issued by the ICAI, as specified under section 143(10) of the Act, the accompanying Consolidated Financial Statements of the Company, which comprise of the Consolidated Balance Sheet as at 31 March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated Financial Statements of the Group for the year ended 31 March, 2022 and this report affects our report dated 27 May, 2022 which expresses a disclaimer of opinion on the Consolidated Financial Statements of the Company.

### **Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 11 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

**For D. K. Chhajer & Co.**  
Chartered Accountants

Firm Registration No. 304138E

**Manoj k Roongta**  
Partner

Membership No. 057761  
UDIN: 22057761AJTXKT3795

Place: Kolkata  
Date: 27th May, 2022

## Annexure B to the Independent Auditors' Report

[Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Consolidated Financial Statements for the year ended 31 March, 2022]

In terms of the information and explanations sought by us and given by the Company, the books of account and records examined by us in the normal course of audit and based on the reports of statutory auditors of the subsidiary companies, incorporated in India and to the best of our knowledge and belief, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sr. No.	Name of the entities	CIN	Holding Company Subsidiary/ Joint Venture/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Srei Infrastructure Finance Limited	L29219WB1985PLC055352	Holding Company	3i(c), 3i(e) 3vii(a), 3xi(a), 3xvii, 3xix, 3xx(a)
2.	Srei Equipment Finance Limited	U70101WB2006PLC109898	Wholly Owned Subsidiary	3i(c), 3i(e), 3iii(c), 3iii(d), 3vii(a), 3ix(a), 3xi(a), 3xvii, 3xix, 3xx(a)

**For D. K. Chhajer & Co.**  
Chartered Accountants

Firm Registration No. 304138E

**Manoj k Roongta**

Partner

Membership No. 057761

UDIN: 22057761AJTXKT3795

Place: Kolkata

Date: 27th May, 2022





# Consolidated Balance Sheet

as at 31st March, 2022

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalents	2	129,078	43,511
(b) Bank Balance other than (a) above	3	18,681	100,818
(c) Derivative Financial Instruments	4	-	936
(d) Receivables			
(I) Trade Receivables	5.1	5,835	4,346
(II) Other Receivables	5.2	-	-
(e) Loans	6	2,031,067	2,154,861
(f) Investments	7	192,062	164,250
(g) Other Financial Assets	8	81,397	92,523
		<b>2,458,120</b>	<b>2,561,245</b>
<b>(2) Non-Financial Assets</b>			
(a) Inventories	-	-	-
(b) Current Tax Assets (Net)	10	19,199	18,690
(c) Deferred Tax Assets (Net)	11	-	332
(d) Investment Property	12	1,692	1,729
(e) Property, Plant and Equipment	13	192,843	265,294
(f) Right-of-use Assets		713	2,844
(g) Capital Work-in-Progress	-	-	-
(h) Goodwill on Consolidation		683	683
(i) Other Intangible Assets	14	841	1,177
(j) Other Non-Financial Assets	9	39,028	48,364
		<b>254,999</b>	<b>339,113</b>
<b>TOTAL ASSETS</b>		<b>2,713,119</b>	<b>2,900,358</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Derivative Financial Instruments	4	-	1,151
(b) Payables			
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	15	210	14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	7,369	9,248
(c) Debt Securities	16	259,552	244,148
(d) Borrowings (Other than Debt Securities)	17	2,676,864	2,647,553
(e) Subordinated Liabilities	18	294,582	278,531
(f) Lease Liabilities		830	3,136
(g) Other Financial Liabilities	19	20,150	24,287
		<b>3,259,557</b>	<b>3,208,068</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	11	8,266	-
(b) Provisions	20	15,836	1,583
(c) Other Non-Financial Liabilities	21	4,531	8,522
		<b>28,633</b>	<b>10,105</b>
<b>(3) Equity</b>			
(a) Equity Share Capital	22	50,309	50,309
(b) Other Equity	23	(640,417)	(368,209)
		<b>(590,108)</b>	<b>(317,900)</b>
Non-controlling Interests		15,037	85
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,713,119</b>	<b>2,900,358</b>

Significant Accounting Policies and Notes to Consolidated Financial Statements.

1 to 77

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

**For D. K. Chhajjer & Co.**

Chartered Accountants

ICAI Firm Registration No. 304138E

**Manoj K Roongta**

Partner

Membership No. 057761

Place : Kolkata

Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

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

Email ID for Correspondence - sreadministrator@srei.com

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

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

**Rajneesh Sharma**

Administrator Appointed Under IBC

# Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Revenue from Operations</b>			
(i) Interest Income	24	254,594	285,318
(ii) Dividend Income*		0	0
(iii) Rental Income		44,620	46,620
(iv) Fees and Commission Income		7,059	6,186
(v) Net gain on derecognition of financial instruments		-	274
(vi) Net gain on derecognition of financial instruments under fair value through profit or loss		7	4
(vii) Others		3,396	4,680
<b>(I) Total Revenue from Operations</b>		<b>309,477</b>	<b>343,082</b>
(II) Other Income	26	2,720	5,797
<b>(III) Total Income (I+II)</b>		<b>312,197</b>	<b>348,879</b>
<b>Expenses</b>			
(i) Finance Costs	27	216,918	333,445
(ii) Fees and Commission Expense		2,512	5,461
(iii) Net loss on fair value changes	25	27,492	49,867
(iv) Net loss on derecognition of financial instruments under amortised cost		12,328	3,635
(v) Impairment on Financial Instruments (Net)	28	201,511	551,312
(vi) Purchases of Stock-in-trade		-	1,100
(vii) Employee Benefits Expenses	29	12,161	14,290
(viii) Depreciation, Amortisation and Impairment Expense		56,990	73,456
(ix) Administrative and Other Expenses	30	25,345	21,743
(x) Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt		4,320	12,451
<b>(IV) Total Expenses (IV)</b>		<b>559,577</b>	<b>1,066,760</b>
<b>(V) Profit before Exceptional Items &amp; Tax (III - IV)</b>		<b>(247,380)</b>	<b>(717,881)</b>
(VI) Adjustment on disposal / cessation of Subsidiaries and Associate		-	-
<b>(VII) Profit Before Tax (V+VI)</b>		<b>(247,380)</b>	<b>(717,881)</b>
<b>(VIII) Tax Expense:</b>			
(a) Current Tax		252	115
(b) Current Tax in respect of earlier year		6,881	(4,387)
(c) Deferred Tax		(38)	20,230
<b>(IX) Profit After Tax but before Loss of Associates (VII-VIII)</b>		<b>(254,475)</b>	<b>(733,839)</b>
<b>(X) Profit After Tax (IX+X)</b>		<b>(254,475)</b>	<b>(733,839)</b>
<b>(XI) Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		(29)	48
(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		6,072	17,558
(c) Tax related to above		(8,639)	(3,495)
(ii) Items that will be reclassified to Profit or Loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		14	1,573
(b) Gains on fair valuation of loans		(210)	(2,713)
(c) Tax related to above		-	800
<b>(XII) Total Other Comprehensive Income (XI)</b>		<b>(2,792)</b>	<b>13,771</b>
<b>Total Comprehensive Income (X+XI)</b>		<b>(257,267)</b>	<b>(720,068)</b>
<b>(XIII) Profit attributable to:</b>			
- Owners of the parent		(254,531)	(733,920)
- Non-controlling interest		56	81
<b>(XIV) Other Comprehensive Income attributable to:</b>			
- Owners of the parent		(17,688)	13,771
- Non-controlling interest		14,896	-
<b>(XV) Total Comprehensive Income attributable to:</b>			
- Owners of the parent		(272,219)	(720,149)
- Non-controlling interest		14,952	81
<b>(XVI) Earnings per Equity share (Basic and Diluted) (in ₹)</b>	<b>31</b>	<b>(50.58)</b>	<b>(145.87)</b>
<b>(Par Value ₹10/- per Equity Share)</b>			

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

Significant Accounting Policies and Notes to Consolidated Financial Statements.

1 to 77

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

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

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

Chartered Accountants

ICAI Firm Registration No. 304138E

**Manoj K Roongta**

Partner

Membership No. 057761

Place : Kolkata

Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

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

Email ID for Correspondence - sreiaministrator@srei.com

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

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

**Rajneesh Sharma**

Administrator Appointed Under IBC

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2022

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>(247,380)</b>	<b>(717,881)</b>
Adjustments for :		
Net unrealised fair value (gain) / loss	22,528	63,689
Net (gain) / loss on derecognition of Property, Plant and Equipment	7,413	5,657
Interest on Income Tax Refund	(386)	(1,627)
Liabilities No Longer Required written back	(3,094)	(302)
Impairment on Financial Instruments (Net)	201,511	546,322
Depreciation, Amortisation and Impairment Expense	56,990	73,456
Impairment on Goodwill	-	83
Net (gain) / loss on derecognition of Financial Instruments under amortised cost category	12,328	3,361
Impairment/Write-off on Assets acquired in satisfaction of debt	4,320	17,524
<b>Operating profit before working capital changes</b>	<b>54,230</b>	<b>(9,718)</b>
<b>Changes in Working Capital</b>		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	12,362	(22,229)
(Increase) / Decrease in Loans Assets	(86,912)	166,080
Increase / (Decrease) in Trade Payables and Others Liabilities	5,448	(113,726)
(Increase) / Decrease in Other Bank Balances	82,137	32,332
<b>Cash Generated / (used) in operations</b>	<b>67,265</b>	<b>52,739</b>
Direct Taxes Paid (net of refund)	(7,259)	8,109
<b>Net Cash (used in) / generated from Operating Activities</b>	<b>60,006</b>	<b>60,848</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment/ Capital Work-in-Progress/ Intangible Assets	(7)	(1,188)
Proceeds from Sale of Property, Plant and Equipment/Intangible assets	9,311	23,812
(Increase) / Decrease in Investments (Other than Subsidiaries)	(44,475)	(17,199)
Sale of Subsidiaries	-	182
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>(35,171)</b>	<b>5,607</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from issuance of Debt securities (including subordinated debt securities)	-	-
Repayment on redemption of Debt securities (including subordinated debt securities)	-	(26,437)
(Repayment of) / Proceeds from Working Capital facilities (Net)	38,346	158,573
Proceeds from Other Borrowings	-	79,750
Repayment of Other Borrowings	22,392	(273,713)
Dividend Paid (including Corporate Dividend Tax)	(6)	(6)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>60,732</b>	<b>(61,833)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>85,567</b>	<b>4,622</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>43,511</b>	<b>38,889</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>129,078</b>	<b>43,511</b>
		(₹ in Lacs)
<b>Components of Cash and Cash Equivalents:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	21	31
(b) Balances with Banks - in Current Account	68,238	43,442
(c) Fixed Deposits with original maturity period less than three months	60,819	38
	<b>129,078</b>	<b>43,511</b>

## Explanations:

- The above Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
- Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

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

**For D. K. Chhajjer & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 304138E  
**Manoj K Roongta**  
Partner  
Membership No. 057761  
Place : Kolkata  
Date : May 27th, 2022

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

**Rajneesh Sharma**  
Administrator Appointed Under IBC

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

# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

## A. Equity Share Capital

(₹ in Lacs)

	Balance as at April 1st, 2020	Issued during the year	Reductions during the year	Balance as at March 31st, 2021
	50,309	-	-	50,309
	Balance as at April 1st, 2021	Issued during the year	Reductions during the year	Balance as at March 31st, 2022
	50,309	-	-	50,309

## B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income				Effective portion of Cash Flow Hedges	Total	Non-Controlling Interests			
	Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Income Tax Special reserve (pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Bond/Debt Redemption Reserve	General Reserve	Retained Earnings	Impairment Reserve				Equity Instruments through Other Comprehensive Income	Debt Instruments through Other Comprehensive Income	
<b>Balance as at the 1st April, 2020</b>	54,904	25,834	104,744	62,441	11,885	136,801	(39,663)	-	(6,264)	(231)	2,511	(1,033)	351,929	4
Profit for the year	-	-	-	-	-	-	(733,920)	-	-	-	-	-	(733,920)	81
Other Comprehensive Income (net of tax)*	-	-	-	-	-	275	-	-	13,836	-	(1,360)	1,020	13,771	-
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	-	11	-	11	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited Equity	-	-	-	-	-	-	764	-	(764)	-	-	-	-	-
Reclassification from OCI to retained earnings on cumulative disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to / from retained earnings	-	-	-	-	(1,663)	-	(446,032)	447,464	-	231	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>54,904</b>	<b>25,834</b>	<b>104,744</b>	<b>62,441</b>	<b>10,222</b>	<b>136,801</b>	<b>(1,218,576)</b>	<b>447,464</b>	<b>6,808</b>	<b>-</b>	<b>1,162</b>	<b>(13)</b>	<b>(368,209)</b>	<b>85</b>
Balance as at the 1st April, 2021	54,904	25,834	104,744	62,441	10,222	136,801	(1,218,576)	447,464	6,808	-	1,162	(13)	(368,209)	85
Profit for the year	-	-	-	-	-	-	(254,531)	-	-	-	-	-	(254,531)	56
Other Comprehensive Income (net of tax)*	-	-	-	-	-	-	(29)	-	(17,463)	11	(210)	14	(17,677)	14,896
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from OCI to retained earnings on cumulative disposal	-	-	-	-	-	-	1,061	-	(1,061)	-	-	-	-	-
Transfer to / from retained earnings	315	-	-	-	-	-	(123,314)	122,999	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>55,219</b>	<b>25,834</b>	<b>104,744</b>	<b>62,441</b>	<b>10,222</b>	<b>136,801</b>	<b>(1,595,389)</b>	<b>570,463</b>	<b>(11,716)</b>	<b>11</b>	<b>952</b>	<b>1</b>	<b>(640,417)</b>	<b>15,037</b>

**Refer Note No. 23 for nature and purpose of reserves.**

\* Includes gain for ₹29 Lacs (Previous year: charge of ₹275 Lacs) on account of remeasurement of defined benefit plans.

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

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

Chartered Accountants

ICAI Firm Registration No. 3041 38E

**Manoj K Roongta**

Partner

Membership No. 057761

Place: Kolkata

Date: 27th May, 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 Sri Infrastructure Finance Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability. Address for Correspondence - Vishwakarma 86C, Topsia Road (South), Kolkata, West Bengal, 700046

Email ID for Correspondence - sreiaadministrator@srieli.com

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

**Rajneesh Sharma**

Administrator Appointed Under IBC

# Srei Infrastructure Finance Limited

## Significant Accounting Policies and Notes to Consolidated Financial Statements

### 1 (a) GENERAL INFORMATION

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

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

Thereafter RBI filed applications for initiation of Corporate Insolvency Resolution Process ('CIRP') against the Company under section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 08, 2021 admitted the application made by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of the Company shall vest in the Administrator. Further, NCLT also retained the three-member Advisory Committee, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

### 1 (b) SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

The Consolidated financial statements relates to M/s. Srei Infrastructure Finance Limited (the "Company") and its subsidiaries (together hereinafter referred to as "Group"), associate and Trust. The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards.

Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 1.26 -Significant accounting judgements, estimates and assumptions. The management believes that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known/ materialized.

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

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These consolidated audited financial results of the Company for the year ended March 31, 2022 have been taken on record by the Administrator on May 27, 2022 while discharging the powers of the Board of Directors of the

Company which were conferred upon him by the RBI press release dated October 4, 2021 and subsequently, powers conferred upon him in accordance with Hon'ble NCLT order dated October 8, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company as a going concern. As a part of the CIRP, the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. As such, these financial results are subject to outcome of such audits/reviews. Since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial statements of the Company as they existed on October 4, 2021.

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

#### 1.2. Basis of Consolidation

(i) The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits in associate and interest in trust that are consolidated in a manner as explained below.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. The results of subsidiaries and associate acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(i) The financial statements of the subsidiary companies, associate company and Trust used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2021 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Group and trust have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realized.

b) The excess of cost to the Company of its investments in the subsidiary companies and trust over its share of equity/corpus of the subsidiary company/trust, at the dates on which the investments is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity/ corpus as on the date of investment is in

excess of cost of investment of the Company, it is recognised under 'Other Equity', in the consolidated financial statements.

- c) The difference between the proceeds from disposal of investment in subsidiary/ Trust and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the statement of Profit and Loss as profit or loss on disposal of subsidiary.
- d) Minority interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments

are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

- e) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.
- (iv) The subsidiary/associate companies considered in the consolidated financial statements are as below:

Subsidiaries & Step-down Subsidiaries	Country of Origin	Share of ownership interest as at 31st March, 2022 (%)	Share of ownership interest as at 31st March, 2021 (%)
Srei Capital Markets Limited	India	100	100
Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	India	51	51
Controlla Electrotech Private Limited	India	100	100
Srei Mutual Fund Asset Management Private Limited	India	100	100
Srei Mutual Fund Trust Private Limited	India	100	100
Srei Insurance Broking Private Limited	India	100	100
Bengal Srei Infrastructure Development Limited	India	51	51
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	India	100	100
Srei Equipment Finance Limited	India	100	100
<b>Trusts:</b>			
Srei Mutual Fund Trust	India	100*	100*

\* holding % of Corpus

The accounting policies for some specific items are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.26.

### 1.3. Presentation of Financial Statements

The Consolidated financial statements of the Group, associate and trust are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on 30th June, 2021.

### 1.4. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian

Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the Reserve Bank of India ("the RBI").

The accounting policies are applied consistently to all the periods presented in the financial statements, unless otherwise stated.

### 1.5. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

### 1.6. Revenue recognition

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



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

- (a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.20.3.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

- (b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.20.3.
- (c) Income from Credit Impaired Financial Assets is recognised on net basis i.e. after considering Impairment Loss Allowance.
- (d) Interests on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.
- (e) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.
- (f) Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.
- (g) Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished or the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.
- (h) Referral income is recognised when it becomes due under the terms of the relevant mutually agreed arrangement.
- (i) Income from joint controlled operation is recognised to the extent of the Company's share in jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.
- (j) Interest income on fixed deposits/margin money/pass through certificates is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (k) In case of assignment transactions, as the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is recorded as 'Interest retained on pools assigned' with corresponding gain recognized in the statement of Profit and Loss.

**(l) Revenue from Contract with Customers:**

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

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

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

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

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

Step 5: Recognise revenue when (or as) the performance obligation is satisfied.

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

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

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

**1.7. Leasing**

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

**The Group as lessor**

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

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

For the revenue recognition policy on Lease Contracts, refer Note No. 1.6.

**The Group as lessee**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with on borrowing costs (see 1.9 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Group's operating lease asset classes primarily consist of leases for buildings or part thereof. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the

contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

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

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

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

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

## 1.8. Foreign currency translation

### (i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupee (INR) in lakhs, the functional currency of the Group. Functional currency is the currency of the primary economic environment in which the Group operates.

### (ii) Transactions and balances

#### Initial recognition:

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

#### Conversion:

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date.

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

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

### Foreign Exchange Gains and Losses:

#### Financial Assets:

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

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

#### Financial Liabilities:

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

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

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

## 1.9. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

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

## 1.10. Employee Benefits

### Retirement benefit costs and other employee benefits

#### (A) Defined Contribution Plans:

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

**(B) Defined Benefit Plans:**

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

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

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

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

**(C) Short-term and other long-term employee benefits:**

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

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

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

**1.11. Taxation**

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

**Current tax**

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's

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

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

**Deferred tax**

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

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

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

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

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

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

**Current and deferred tax for the year**

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

**1.12. Property, Plant and Equipment**

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

**Initial and subsequent recognition**

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

removing the item and restoring the site on which it is located.

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

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any.

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

#### Assets for Own Use:

Assets description as per Note No.13	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Buildings	60 years	60 years
Furniture and Fixtures	10 years	10 years
Computers&Office Equipment	3, 5, 6 years	3,5,6 years
Motor Vehicles	8 years	7, 8 years
Plant and Machinery	15, 22 years	8,15,22 years

#### Assets for Operating lease:

Assets description as per Note No. 13	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Computers	3, 6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15, 30 years	8,15 years
Windmills	22 years	20 years

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

Leasehold assets including improvements are amortised over the shorter of lease period and their useful life on the same basis as owned assets. Freehold Land is not depreciated.

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

#### 1.13. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over 2-6 years, which reflects the managements estimate.

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

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

#### De-recognition

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

#### Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Average useful life of the assets determined is as under:

#### 1.14. Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

#### 1.15. Impairment of Non-Financial Assets

##### Tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order



to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment on an annual basis, and on a shorter period whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of Profit and Loss.

#### **1.16. Provisions, Contingent Liabilities and Contingent Assets**

##### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

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

##### **Contingent Liabilities**

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an

outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Group does not recognize contingent liability but discloses its existence in the consolidated financial statements.

##### **Contingent Assets**

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

#### **1.17. Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand, balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **1.18. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM assess the financial performance and position of the Group and makes strategic decisions.

Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of services offered.

#### **1.19. Repossessed Assets and Assets Acquired in Satisfaction of Debt**

Repossessed assets and assets acquired in satisfaction of debt are those assets whose carrying amount is recovered principally through a sale transaction rather than through continuing use. These assets are disclosed as part of 'other non-financial assets' and are carried at the lower of their carrying amount and fair value less costs to sell.

#### **1.20. Financial Instruments**

##### **Classification of financial instruments**

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

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

##### **Business model assessment**

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

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

information when assessing newly originated or newly purchased financial assets going forward.

#### **The Solely Payments of Principal and Interest (SPPI) test**

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

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

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

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

#### **1.20.1 Recognition of Financial Instruments:**

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

#### **1.20.2 Initial Measurement of Financial Instruments:**

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

#### **1.20.3 Subsequent Measurement:**

##### **(A) Financial Assets**

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

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

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

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

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

The EIR for financial assets or financial liability is computed

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

#### **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):**

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

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

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

#### **Financial Assets at Fair Value through Profit or Loss (FVTPL):**

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

Any differences between the fair values of financial assets classified as FVTPL and held by the Group on the balance sheet date are recognized in the consolidated statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of Profit and Loss.

#### **Impairment of Financial Assets:**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

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



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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group measures the loss allowance at an amount equal to lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis, wherever applicable.

#### **Derecognition of Financial Assets:**

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

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

- a) For financial assets measured at amortised cost, the gain or loss is recognised in the statement of Profit and Loss.
- b) For financial assets measured at fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the consolidated statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be reclassified within equity.

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

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

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

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

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

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

### **(B) Financial Liabilities and Equity Instruments:**

#### **Classification as debt or equity:**

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

#### **Equity Instruments**

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

#### **Financial Liabilities**

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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

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

#### **Financial liabilities measured at amortised cost**

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

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

#### **Trade and other payables**

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

#### **Financial Guarantee Contracts**

Financial guarantees issued by the Group are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of Profit and Loss.

#### **1.20.4 Off-setting of financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net

basis or realise the asset and settle the liability simultaneously backed by past practice.

### 1.20.5 Fair value measurement

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

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

The principal or the most advantageous market must be accessible.

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

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

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

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

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

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

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

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of the Company was not available and hence

ECL for non-funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and/or expected realisable value of security / collateral. Additionally, the company carries out reviews for specifically identified exposures as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

### Unsegmented portfolio for ECL

In case of Loans where financing was restricted to a large extent to the infrastructure sectors, considering the limitations of count over the past years, ECL is computed on an unsegmented portfolio basis.

### Staging:

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

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

### Methodology:

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

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

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

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

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

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

### Write-offs

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

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

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring

on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis, wherever applicable.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109.

### 1.21. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note to the financial statements.

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

#### Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

### 1.22. Hedge Accounting

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

#### Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the consolidated statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in consolidated statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge

accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of 'Effective portion of cash flow hedges'. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of Profit and Loss.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in OCI and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in the Statement of Profit and Loss.

### 1.23. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 1.24. Earnings Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 "Earnings per share". Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 1.25. Dividend

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

### 1.26. Significant accounting judgements, estimates and assumptions

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

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

#### 1.26.1 Impairment charges on loans and advances

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

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.19.6 Overview of ECL principles.

#### 1.26.2 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### 1.26.3 Provisions other than loan impairment

Provisions are held in respect of a range of future obligations such as employee entitlements, litigation provisions, etc. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions.

#### 1.26.4 Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of consolidated financial instruments.

#### 1.26.5 Hedge Designation

The appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness at the inception/origination of the transaction.

#### 1.26.6 Defined employee benefit assets and liabilities

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

#### 1.26.7 EIR method

The Group's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return

over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

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

#### 1.26.8 Identification of Related Parties

Related Parties for the purpose of Companies Act, 2013 and relevant Ind AS, is identified by the Company, for necessary compliance/reporting/disclosures etc, as per the Board approved Related Party Transactions (RPT) Policy.

#### 1.26.9 Other estimates

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

#### 1.27 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

##### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

##### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

##### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

##### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

##### Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 2. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	21	31
Balances with Banks - in Current Account #	68,238	43,442
Balances with Banks - in Fixed Deposit Accounts having original maturity of upto 3 months (Including accrued interest)	60,819	38
<b>Total</b>	<b>129,078</b>	<b>43,511</b>

# Includes ₹5,097 Lacs pertaining to a cash credit account with a bank, having a debit balance as at March 31st, 2022.

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

(₹ in Lacs)

Particulars	As at 1st April, 2021	Movement*			As at 31st March, 2022
		Change due to Sale of Subsidiaries	Cash	Non-Cash	
Debt Securities	244,148	-	-	15,404	259,552
Borrowings (Other than Debt Securities)	2,647,553	-	60,697	(31,386)	2,676,864
Subordinated Liabilities	278,531	-	41	16,010	294,582
<b>Total</b>	<b>3,170,232</b>	<b>-</b>	<b>60,738</b>	<b>28</b>	<b>3,230,998</b>

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

(₹ in Lacs)

Particulars	As at 1st April, 2020	Movement*			As at 31st March, 2021
		Change due to Sale of Subsidiaries	Cash	Non-Cash	
Debt Securities	262,725	-	(18,577)	-	244,148
Borrowings (Other than Debt Securities)	2,684,523	-	(28,872)	(8,098)	2,647,553
Subordinated Liabilities	284,811	-	(6,280)	-	278,531
<b>Total</b>	<b>3,232,059</b>	<b>-</b>	<b>(53,729)</b>	<b>(8,098)</b>	<b>3,170,232</b>

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

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

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividend Accounts	24	30
Balances with Banks - in Trust & Retention Account	-	1,568
Earmarked Balances	5,088	9,520
Fixed Deposits with banks having original maturity of more than 3 months (Including accrued interest for fixed deposits)*	13,569	89,700
<b>Total</b>	<b>18,681</b>	<b>100,818</b>

\* Includes

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Under Lien:</b>		
- Cash collateral for securitisation of receivables	-	40,165
- Security against borrowings	38	35
- Bank Guarantees	10,193	45,105
- Unclaimed Public Deposit & Interest**	-	1
- Others	2,697	2,888

Fixed deposit earns interest at fixed rate.

\*\* There is no outstanding towards unclaimed public deposit & interest thereon as on 31st March, 2022. However, the fixed deposit created under lien for their repayment is yet to be redeemed.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 4. Derivative Financial Instruments ##

(₹ in Lacs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Notional Amounts	Fair Value - Assets	Fair Value - FLiabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
<b>Part I</b>						
<b>(i) Currency derivatives:</b>						
- Spot and Forwards	-	-	-	21,049	-	1,151
- Currency swaps	-	-	-	11,200	727	-
- Options purchased	-	-	-	16,190	209	-
<b>Subtotal (i)</b>	-	-	-	<b>48,439</b>	<b>936</b>	<b>1,151</b>
<b>(ii) Interest rate derivatives</b>						
- Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
<b>Subtotal(ii)</b>	-	-	-	-	-	-
<b>Total Derivative Financial Instruments (i)+(ii)</b>	-	-	-	<b>48,439</b>	<b>936</b>	<b>1,151</b>
<b>Part II</b>						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:	-	-	-	-	-	-
<b>Subtotal (i)</b>	-	-	-	-	-	-
(ii) Cash flow hedging:						
- Currency derivatives	-	-	-	222	-	14
- Interest rate derivatives	-	-	-	-	-	-
<b>Subtotal (ii)</b>	-	-	-	<b>222</b>	-	<b>14</b>
(iii) Undesignated Derivatives*#	-	-	-	48,217	936	1,137
<b>Subtotal (iii)</b>	-	-	-	<b>48,217</b>	<b>936</b>	<b>1,137</b>
<b>Total Derivative Financial Instruments (i)+(ii)+(iii)</b>	-	-	-	<b>48,439</b>	<b>936</b>	<b>1,151</b>

## Refer Note No. 50

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Notional Amounts	Fair Value - Assets	Fair Value - FLiabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
# Includes Derivative Instruments taken towards Acceptance Liabilities on behalf of the Customer	-	-	-	-	-	-

The Group's risk management strategy and how it is applied to manage risk are explained in Note No. 44.

### 4.1. The following table details the derivative financial instruments as held for hedging and risk management purpose (cash flow hedging) outstanding at the end of the reporting year

Outstanding Contracts	Notional amounts (₹ in Lacs) As at March 31st, 2022	Timing				Average Exchange Rate
		Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	
Spot and forwards - USD	-	-	-	-	-	-

# Average exchange rate includes forward premium charge.

Outstanding Contracts	Notional amounts (₹ in Lacs) As at March 31st, 2021	Timing				Average Exchange Rate
		Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	
Spot and forwards - USD	222	222	-	-	-	78

# Average exchange rate includes forward premium charge.

#### Spots and Forwards

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward contract match that of the foreign currency liabilities (notional amount, repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward contracts are identical to the hedged risk components.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 5. Receivables:

### (i) Trade Receivables

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Considered good - Secured;	-	-
Less: Allowance for impairment loss allowance	-	-
(b) Considered good - Unsecured;	6,138	4,602
Less: Allowance for impairment loss allowance	403	298
	<b>5,735</b>	<b>4,304</b>
(c) Significant increase in credit risk	101	43
Less: Allowance for impairment loss allowance	1	1
	<b>100</b>	<b>42</b>
(d) Credit impaired	2,058	1,817
Less: Allowance for impairment loss allowance	2,058	1,817
	-	-
<b>Total (a+b+c+d)</b>	<b>5,835</b>	<b>4,346</b>

(ii) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

### (iii) Trade Receivables ageing schedule as at March 31, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables - considered good	4,509	506	-	-	-	5,015
(ii) Undisputed Trade receivables -Which have significant increase in credit risk	72	-	28	-	-	100
(iii) Disputed Trade receivables -Credit impaired	490	159	71	-	-	720
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>5,071</b>	<b>665</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>5,835</b>

### Trade Receivables ageing schedule as at March 31, 2021

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables - considered good	3,868	1	1	-	-	3,870
(ii) Undisputed Trade receivables -Which have significant increase in credit risk	42	-	-	-	-	42
(iii) Disputed Trade receivables -Credit impaired	61	255	118	-	-	434
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>3,971</b>	<b>256</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>4,346</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

**(iv) Movements in Expected Credit Losses Allowance is as below:**

(₹ in Lacs)

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	2,116	848
Charge in Consolidated Statement of Profit and Loss	351	1,456
Disposal of entity under control	-	-
Utilized during the year	(5)	(188)
<b>Balance at the end of the year</b>	<b>2,462</b>	<b>2,116</b>

**(v) Ageing of Trade Receivables and Credit Risk arising therefrom is as below:**

(₹ in Lacs)

Particulars	As at 31st March, 2022		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Not due	-	-	-
Due till three months	4,085	78	4,007
Due between three to six months	1,094	30	1,064
Due between six months to one year	683	18	665
Due between one year to two year	377	278	99
More than 2 year due	2,058	2,058	-
	<b>8,297</b>	<b>2,462</b>	<b>5,835</b>

(₹ in Lacs)

Particulars	As at 31st March, 2021		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Not due	-	-	-
Due till three months	3,876	28	3,848
Due between three to six months	136	13	123
Due between six months to one year	284	28	256
Due between one year to two year	399	280	119
More than 2 year due	1,767	1,767	-
	<b>6,462</b>	<b>2,116</b>	<b>4,346</b>

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

Particulars	As at 31st March, 2022						As at 31st March, 2021									
	At Fair Value			At Fair Value			At Fair Value			At Fair Value						
	Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss	Subtotal	Total	
<b>Loans</b>																
<b>(A)</b>																
(i) Term Loan	2,755,850	16,462	-	55,649	2,811,499	2,671,151	46,482	-	98,402	2,769,553						
(ii) Leasing	6,140	-	-	-	6,140	8,476	-	-	-	8,476						
(iii) Other Loans :																
Intercompany Deposit	177	-	-	-	177	163	-	-	-	163						
Letter of Credit	-	-	-	-	-	-	-	-	-	-						
<b>Total (A) Gross</b>	<b>2,762,167</b>	<b>16,462</b>	<b>-</b>	<b>55,649</b>	<b>2,817,816</b>	<b>2,679,790</b>	<b>46,482</b>	<b>-</b>	<b>98,402</b>	<b>2,778,192</b>						
Less: Impairment loss allowance	(786,749)	-	-	-	(786,749)	(623,331)	-	-	-	(623,331)						
<b>Total (A) Net</b>	<b>1,975,418</b>	<b>16,462</b>	<b>-</b>	<b>55,649</b>	<b>2,031,067</b>	<b>2,056,459</b>	<b>46,482</b>	<b>-</b>	<b>98,402</b>	<b>2,154,861</b>						
<b>(B)</b>																
(i) Secured by tangible assets / cash flows*	2,588,300	16,462	-	55,649	2,643,949	2,537,528	46,482	-	98,402	2,635,930						
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-						
(iii) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-						
(iv) Unsecured	173,867	-	-	-	173,867	142,262	-	-	-	142,262						
<b>Total (B) Gross</b>	<b>2,762,167</b>	<b>16,462</b>	<b>-</b>	<b>55,649</b>	<b>2,817,816</b>	<b>2,679,790</b>	<b>46,482</b>	<b>-</b>	<b>98,402</b>	<b>2,778,192</b>						
Less: Impairment loss allowance	(786,749)	-	-	-	(786,749)	(623,331)	-	-	-	(623,331)						
<b>Total (B) Net</b>	<b>1,975,418</b>	<b>16,462</b>	<b>-</b>	<b>55,649</b>	<b>2,031,067</b>	<b>2,056,459</b>	<b>46,482</b>	<b>-</b>	<b>98,402</b>	<b>2,154,861</b>						
<b>(C) (I) Loans in India</b>																
(i) Public Sector	1,078	-	-	-	1,078	1,533	-	-	-	1,533						
(ii) Others	2,761,089	16,462	-	55,649	2,816,738	2,678,257	46,482	-	98,402	2,776,659						
<b>Total (C) Gross</b>	<b>2,762,167</b>	<b>16,462</b>	<b>-</b>	<b>55,649</b>	<b>2,817,816</b>	<b>2,679,790</b>	<b>46,482</b>	<b>-</b>	<b>98,402</b>	<b>2,778,192</b>						
Less: Impairment loss allowance	(786,749)	-	-	-	(786,749)	(623,331)	-	-	-	(623,331)						
<b>Total (C) Net</b>	<b>1,975,418</b>	<b>16,462</b>	<b>-</b>	<b>55,649</b>	<b>2,031,067</b>	<b>2,056,459</b>	<b>46,482</b>	<b>-</b>	<b>98,402</b>	<b>2,154,861</b>						

\* Loans are secured by underlying hypothecated assets / receivables / immovable properties and in certain cases, are additionally secured by pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by charge over future toll revenue/cash flows/receivables etc. have been considered as secured. Securities created by the borrowers, against loan assets are based on valuation of the underlying assets, where applicable, carried out by an external valuer and relied upon by us. Additionally reference to be made as stated in Note No. 54 (b) for valuation of the assets of the Company and assets/ collateral held as securities.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Loans (Contd...)

### i. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

Particulars	As at 31st March, 2022			As at 31st March, 2021			Total	POCI	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3			
Gross carrying amount opening balance	778,896	95,852	1,851,524	2,436,025	189,689	332,466	2,958,180	-	2,958,180
New assets originated or purchased / net disbursement	88	-	-	162,857	-	-	162,857	-	162,857
Assets derecognised or repaid (excluding write offs) #	(29,596)	4,569	(2,935)	(285,426)	(67,707)	(17,792)	(370,925)	-	(370,925)
Effective interest on net carrying amount	-	-	120,669	-	-	51,762	172,431	-	172,431
Transfers to Stage 1	202,720	(857)	(201,863)	13,238	(13,030)	(208)	1,790	-	1,790
Transfers to Stage 2	(7,032)	10,442	(3,410)	(94,078)	94,122	(44)	-	-	-
Transfers to Stage 3	(348,023)	(9,701)	357,724	(1,419,665)	(105,829)	1,525,494	-	-	-
Amounts written off	(17,350)	(160)	(22,928)	(34,055)	-1,393.00	(40,154)	(75,602)	-	(75,602)
<b>Gross carrying amount closing balance@</b>	<b>579,703</b>	<b>100,145</b>	<b>2,098,781</b>	<b>778,896</b>	<b>95,852</b>	<b>1,851,524</b>	<b>2,778,629</b>	<b>-</b>	<b>2,778,629</b>

@ Excludes gross carrying amount of loans designated at fair value through profit or loss amounting to ₹39187 Lacs (March 31st, 2021) ₹51,920 Lacs (March 31st, 2021) ₹25,924 Lacs (March 31st, 2021) ₹Nil is classified as Stage 3 assets.

# Represents balancing figure.

### ii. Reconciliation of ECL balance is given below:\*

Particulars	As at 31st March, 2022			As at 31st March, 2021			Total	POCI	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3			
ECL allowance - opening balance	36,111	4,395	583,596	27,051	21,581	113,246	161,878	-	161,878
New assets originated or purchased	1	-	-	1,528	-	-	1,528	-	1,528
Impact on year end ECL of Exposures transferred between stages during the year and reversal of ECL on account of Recovery #	(20,541)	19	194,846	20,100	2,576	457,904	480,580	-	480,580
Transfers to Stage 1	34,869	(128)	(34,741)	2,330	(1,690)	(640)	1,000	-	1,000
Transfers to Stage 2	(63)	708	(645)	(1,089)	1,143	(54)	1,000	-	1,000
Transfers to Stage 3	(13,843)	(780)	14,623	(12,496)	(19,078)	31,574	1,000	-	1,000
Unwind of discount	-	-	-	-	-	-	-	-	-
Amounts written off	(958)	(40)	(10,027)	(1,313)	(137)	(18,434)	(19,884)	-	(19,884)
<b>ECL allowance - closing balance</b>	<b>35,576</b>	<b>4,174</b>	<b>747,652</b>	<b>36,111</b>	<b>4,395</b>	<b>583,596</b>	<b>787,402</b>	<b>-</b>	<b>787,402</b>

\* Includes ECL allowance of ₹6273 Lacs (Previous year: ₹5880 Lacs) on off balance sheet exposure.

# Includes ECL allowance created on loan assets measured through other comprehensive income of ₹653 Lacs (Previous year: ₹771 Lacs).

iii. The contractual amount outstanding on loan assets that were written off during the reporting period but are still subject to enforcement activity is ₹5,090 Lacs (March 31st, 2021) ₹16,457 Lacs).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the borrowers.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

(₹ in Lacs)

Particulars	As at 31st March, 2022				As at 31st March, 2021									
	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total
<b>Investments</b>														
Debt securities	17,100	-	57,812	-	74,912	-	74,912	9,590	-	25,288	-	25,288	-	34,878
Equity instrument other than Joint Venture & Associates	-	60,645	57,937	-	118,582	-	118,582	-	17,345	76,765	-	94,110	-	94,110
In Units of Trusts and Schemes of Venture Funds	-	6,370	1,788	-	8,158	-	8,158	-	43,610	1,242	-	44,852	-	44,852
<b>Total - Gross A</b>	<b>17,100</b>	<b>67,015</b>	<b>117,537</b>	-	<b>184,552</b>	-	<b>184,552</b>	<b>9,590</b>	<b>60,955</b>	<b>103,295</b>	-	<b>164,250</b>	-	<b>173,840</b>
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	17,100	67,015	117,537	-	184,552	-	184,552	9,590	60,955	103,295	-	164,250	-	173,840
<b>Total - B</b>	<b>17,100</b>	<b>67,015</b>	<b>117,537</b>	-	<b>184,552</b>	-	<b>184,552</b>	<b>9,590</b>	<b>60,955</b>	<b>103,295</b>	-	<b>164,250</b>	-	<b>173,840</b>
Less: Impairment loss allowance(C)	(9,590)	-	-	-	(9,590)	-	(9,590)	(9,590)	-	-	-	-	-	(9,590)
<b>Total - Net D = (A)-(C)</b>	<b>7,510</b>	<b>67,015</b>	<b>117,537</b>	-	<b>184,552</b>	-	<b>184,552</b>	-	<b>60,955</b>	<b>103,295</b>	-	<b>164,250</b>	-	<b>164,250</b>

- (i) During the financial year ended 31st March, 2022 the Company sold its investment in Equity instruments that was classified at FVTOCI to meet its business objective. The fair value of the investment at the date of derecognition was ₹9 Lacs (Previous year: ₹1,480 Lacs) and gain on disposal was ₹0.002 Lacs (Previous year: loss ₹2.53 Lacs). Cumulative gain on disposal not reclassified to Retained earning is Nil (Previous year: gain ₹Nil).
- (ii) During the period dividend income has been recognised for ₹0.005 Lacs (Previous year ₹0.01 Lacs) on equity instruments categorised as measured at fair value through other comprehensive income.
- (iii) Previous year, SIFL has invested ₹100 crores in debentures on behalf of its client and earned management fees for the same. SIFL has sold ₹100 crores worth of debentures during the year ended 31st March, 22 and returned this amount to the client. The said investment and the amount received for making the same, have not been reflected in these financial statements, as SIFL does not have any beneficial interest in the said investment.
- (iv) As per scheme of amalgamation between The Lakshmi Vilas Bank Ltd. and DBS Bank India Limited, The Lakshmi Vilas Bank Ltd. has been amalgamated with DBS Bank India Limited w.e.f. 27th November, 2020. As per the scheme of amalgamation, the entire amount of the paid-up share capital and reserves and surplus, including the balances in the share/securities premium account of the transferor bank, shall stand written off. The transferor bank shall cease to exist by operation of this Scheme, and its shares or debentures listed in any stock exchange shall stand delisted without any further action from the transferor bank, transferee bank or order from any authority. Hence, rights of shares holders on account of their investment have extinguished. Accordingly, SIFL has recognized charge for ₹1,231 Lacs as fair value changes through other comprehensive income during the financial year 2020-21.
- (v) SIFL is holding 95,93,10,000 equity shares in erstwhile India Power Corporation Limited (CIN: U40101WB2003PLC097340) ("erstwhile IPLCL"). In terms of the Scheme of Arrangement and Amalgamation of erstwhile IPLCL into and with DPSC Limited (now known as India Power Corporation Limited) ("DPSC") (CIN: L40105WB1919PLC003263) as sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013, the Shareholders of erstwhile IPLCL (including the Company) are entitled to be allotted 11 equity shares of ₹1 each of DPSC for every 100 equity shares of erstwhile IPLCL held by them. Thus, the Company will be allotted 10,55,24,100 equity shares in DPSC which will constitute 6.69% of the post amalgamation paid up share capital of DPSC. As the Company has been given to understand, the said allotment of the aforesaid shares of DPSC to the Company will be done in terms of the Scheme sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013 after certain pending clearance(s) / approval(s) from the Stock Exchanges are obtained by DPSC. Therefore, 10,55,24,100 nos. of shares of DPSC as aforesaid is considered in the investment schedule. As the equity shares of DPSC is listed, closing price is considered for the purpose of valuation as on 31st March, 2022 and 31st March, 2021.
- (vi) The Company is holding 18,80,333 units in Infra Construction Fund, managed by Trinity Alternative Investments Managers Limited (TAIIML). TAIIML is a 51% subsidiary of the Company. For the purpose of NAV of such units, TAIIML, acting as fund manager has forwarded us the valuation report as on 31st March 2022, valuing such units at Nil. As on 31st December 2021, TAIIML has reported value of these units as ₹5,3065 Lacs under the same circumstances which continue as on 31st March 2022. The Company however does not accept the basis of such valuation as on 31st March 2022 and is currently enquiring reasons based on which such valuation of units has been arrived at. The Company, only for the purpose of compliance has given effect to the said valuation and such value of investment in Company's books is subject to outcome of enquiry and explanations being sought from TAIIML. Anagha Steel Marketing Limited (erstwhile Essar Steel Marketing Limited) had against a loan granted by SIFL pledged 32,57,400 units of Infrastructure Project Development Fund (IPDF) having face value ₹100/- each as security for the loan. Pursuant to the BTA (Refer Note No. 58) the said Loan was transferred to SEFL. Due to non-payment of the dues by Anagha Steel Marketing Limited, the pledge was invoked by virtue of which the units were transferred to SIFL on February 24th, 2022. SIFL continues to hold the units on behalf of SEFL. Further, the Company has initiated the process to transfer the unit in the name of SEFL.
- (vii) 950 nos. NCD's (face value ₹10,00,000 each) issued by Fortis Healthcare Holdings Private Ltd were transferred to SEFL under Slump exchange w.e.f. 01 Oct 2019. Being matured ISIN, the depository has rejected the transfer request given by the Company in favor of SEFL. Therefore, these NCD's are being held by the Company for the benefit of SEFL.
- (ix) The investment of the Company in its material subsidiary Sri Equipment Finance Limited ("SEFL") has been impacted. The collection of SEFL from the borrowers and the lessees were severely impacted during the year and which also adversely affected the cash flows of SEFL during the said period. Based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has done accelerated ECL provision which is over and above normal ECL provision. SEFL has incurred losses during the year ended 31 March 2022 due to which its net worth has eroded. Considering the above facts, the Company has assessed the carrying amount of its investment in SEFL in compliance to Ind AS and has made an impairment provision of ₹310,455 Lacs during the year ended 31st March, 2021 bringing down the book value of its investment in SEFL to ₹1 as prudent measure. The Company feels that with gradual improvement in the economy, the SEFL will recover significant part of the loan given to its borrowers resulting in reversal of provision made in the books by SEFL in the current year. Accordingly, the impairment on investment will be reviewed in future.
- (x) The Company is holding 452809 no. of equity shares of Sanjivik Terminals Pvt Ltd on behalf of Sri Equipment Finance Limited. These shares were received by way of invocation of pledge by Sri Equipment Finance Limited & held for sale. Therefore, these shares are being held by the Company for the benefit of SEFL.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 8. Other Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income accrued but not due	87	-
Interest retained on Pool Assigned	5,753	16,245
Less: Impairment loss allowance for Interest retained on Pool Assigned	(1,351)	(2,604)
Rental accrued but not due	191	4,984
Less: Impairment loss allowance for Rental accrued but not due	(20)	(31)
Loan to employees	56	62
Security deposits	1,118	1,105
Less: Impairment loss allowance for Security deposits	(249)	(184)
Advance for Investments	44	23
Claims Receivables [Refer Note No. 8.1]	72,542	65,897
Other Advances and Receivables [Refer Note No. 8.2]	3,225	7,025
Contribution to trust fund	1	1
<b>Total</b>	<b>81,397</b>	<b>92,523</b>

8.1 Amount as at March 31st, 2022 represents fair value of claims assigned in favour of Company in satisfaction of Debt and the said amount is subject matter of legal proceedings.

8.2 Includes receivables from the lenders on account of 'interest on interest' charged by the lenders during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the Hon'ble Supreme Court of India's judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on March 23, 2021 amounting to ₹1,064 Lacs ( March 31st, 2021 : ₹5,671 Lacs).

## 9. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	33	11
Employee Advances	41	68
Amount Lying in Trust Account	-	5,024
Advance to Vendors for Operating Expenses	746	1,982
Advance for Investment	100	18
Balances with Government Authorities	1,540	2,570
Repossessed Assets and Assets acquired in satisfaction of debt*	36,127	38,399
Prepaid expenses	441	292
<b>Total</b>	<b>39,028</b>	<b>48,364</b>

\* Includes repossessed assets amounting to ₹17,917 Lacs (previous year ₹19,919 Lacs) and also includes assets/collaterals acquired in satisfaction of debt amounting to ₹18,210 Lacs (previous year ₹18,480 Lacs).

## 10. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Tax [net of provision for tax ₹ 500 Lacs (31st March, 2021: ₹ 32,835 Lacs )]	19,199	18,690
<b>Total</b>	<b>19,199</b>	<b>18,690</b>

## The reconciliation of estimated income tax to income tax expense is as below:

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit Before Tax	-247,380	-717,881
Statutory Income Tax Rate	27.252%	38.690%
Expected income tax expense at statutory income tax rate	(67,417)	(277,747)
(i) Income exempt from tax/items not deductible (net)	38,036	(190)
(ii) Effect of indexation benefit / different tax rate on certain items	(4,009)	27,997
(iii) Other differences	40,523	245,668
<b>Total Tax Expense recognised in Consolidated Statement of Profit and Loss</b>	<b>7,133</b>	<b>(4,272)</b>
<b>Total Tax Expense recognised in Other Comprehensive Income</b>	<b>(8,639)</b>	<b>(2,695)</b>



## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

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

Particulars	(₹ in Lacs)						
	As at 1st April, 2021	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to Statement of Profit and Loss	Utilisation of MAT credit	Impact due to Cessation of subsidiaries	As at 31st March, 2022
MAT Credit Entitlement	-	-	-	-	-	-	-
Financial Assets and Liabilities at FVTPL	915	-	-	-	-	-	915
Receivables, Financial Assets and Liabilities at Amortised Cost	28,212	(9)	63	-	-	-	28,266
Unrealised gain on Investment carried at Fair Value	1,687	3	6,809	-	-	-	8,499
Carried Forward of Losses & Unabsorbed Depreciation	20,293	(4,533)	(83)	-	-	-	15,677
Property, Plant and Equipment and Intangible Assets	(2,256)	(35)	-	-	-	-	(2,291)
Loss under Income Tax	2,547	-	-	-	-	-	2,547
Other Timing Differences	(2,890)	168	(8,702)	-	-	-	(11,424)
Disallowances u/s 43B of IT Act	6	146	-	-	-	-	152
Provisions	190	(1)	-	-	-	-	189
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>48,704</b>	<b>(4,261)</b>	<b>(1,913)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,530</b>
Net Deferred tax assets charged to Statement of Profit & Loss	48,372	(4,301)	6,725	-	-	-	50,796
	<b>332</b>	<b>40</b>	<b>(8,638)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,266)</b>

Particulars	(₹ in Lacs)						
	As at 1st April, 2020	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to Statement of Profit and Loss	Utilisation of MAT credit	Impact due to Cessation of subsidiaries	As at 31st March, 2021
MAT Credit Entitlement	4,347	(4,347)	-	-	-	-	-
Financial Assets and Liabilities at FVTPL	2,289	(2,396)	1,022	-	-	-	915
Receivables, Financial Assets and Liabilities at Amortised Cost	34,295	(6,090)	7	-	-	-	28,212
Unrealised gain on Investment carried at Fair Value	1,322	5,349	(4,984)	-	-	-	1,687
Carried Forward of Losses & Unabsorbed Depreciation	22,263	(3,232)	1,262	-	-	-	20,293
Property, Plant and Equipment and Intangible Assets	(41,394)	39,138	-	-	-	-	(2,256)
Loss under Income Tax	2,547	-	-	-	-	-	2,547
Other Timing Differences	(2,605)	(278)	(7)	-	-	-	(2,890)
Disallowances u/s 43B of IT Act	5	1	-	-	-	-	6
Provisions	192	(2)	-	-	-	-	190
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>23,261</b>	<b>28,143</b>	<b>(2,700)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,704</b>
Net Deferred tax assets charged to Statement of Profit & Loss	-	48,372	-	-	-	-	48,372
	<b>23,261</b>	<b>(20,229)</b>	<b>(2,700)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332</b>

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

### 12. Investment Property

(₹ in Lacs)

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount	
	As at 1st April, 2021	As at 31st March, 2022	Disposals and other adjustments	As at 1st April, 2021	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2022	As at 31st March, 2022
Land	9	9	-	-	-	-	-	9
Building	1,865	1,865	-	145	36	-	182	1,683
<b>Total</b>	<b>1,874</b>	<b>1,874</b>	<b>-</b>	<b>145</b>	<b>36</b>	<b>-</b>	<b>182</b>	<b>1,692</b>

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount	
	As at 1st April, 2020	As at 31st March, 2021	Disposals and other adjustments	As at 1st April, 2020	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
Land	9	9	-	-	-	-	-	9
Building	1,865	1,865	-	109	36	-	145	1,720
<b>Total</b>	<b>1,874</b>	<b>1,874</b>	<b>-</b>	<b>109</b>	<b>36</b>	<b>-</b>	<b>145</b>	<b>1,729</b>

(i) The Investment Property is valued at cost. Depreciation is charged using the straight-line method based on its estimated useful life of building i.e. 60 years.

(ii) Fair Value of Land and Building as on 31st March, 2022 - ₹3,704 Lacs (as on 31st March, 2021 ₹3,531 Lacs)

(iii) For the purpose of fair valuation, Investment Property has been considered as a Level 3 item. Significant inputs used for the same are rate comparative analysis and rental analysis.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 13. Property, Plant and Equipment

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount	
	As at 1st April, 2021	As at 31st March, 2022	As at 1st April, 2021	As at 31st March, 2022	Disposals and other adjustments	Impairment Charge	As at 31st March, 2022	As at 31st March, 2022
<b>Assets for Own use</b>								
Freehold Land	3,307	3,307	-	-	-	-	-	3,307
Buildings *	14,515	14,515	1,026	305	-	-	1,331	13,184
Plant and Machinery	22,613	22,613	4,129	1,034	-	-	5,163	17,450
Furniture and Fixtures	3,175	3,134	41	524	34	-	1,848	1,286
Motor Vehicles	399	399	223	52	-	-	275	124
Computers & Office Equipments	1,139	1,138	1,006	78	7	-	1,077	61
Leasehold Improvements	4,356	4,356	3,004	607	-	-	3,611	745
<b>(A)</b>	<b>49,504</b>	<b>49,462</b>	<b>10,746</b>	<b>2,600</b>	<b>41</b>	<b>-</b>	<b>13,305</b>	<b>36,157</b>
<b>Assets given on Operating lease</b>								
Plant and Machinery	169,348	157,446	65,748	15,382	5,801	-	75,329	82,117
Earthmoving Equipments	134,706	118,848	72,671	18,119	8,892	-	81,898	36,950
Furniture and Fixtures	8,255	8,227	3,304	838	15	-	4,127	4,100
Motor Vehicles	88,694	81,875	50,324	11,687	3,579	-	58,432	23,443
Windmills	7,821	7,821	2,937	734	-	-	3,671	4,150
Computers & Office Equipments	36,556	35,138	24,077	6,356	1,221	-	29,212	5,926
Aircraft	379	-	162	18	180	-	-	-
<b>(B)</b>	<b>445,759</b>	<b>409,355</b>	<b>219,223</b>	<b>53,134</b>	<b>19,688</b>	<b>-</b>	<b>252,669</b>	<b>156,686</b>
<b>Total (C)= (A+B)</b>	<b>495,263</b>	<b>458,817</b>	<b>229,969</b>	<b>55,734</b>	<b>19,729</b>	<b>-</b>	<b>265,974</b>	<b>192,843</b>

\* Building includes Gross carrying amount of ₹8,747 Lacs in respect of property at Saket Place, New Delhi (Property), which was purchased by the Company from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice. The Property is in the possession of the Company and being used for its business purposes. Further, the Company is depositing related corporation taxes in its name. Therefore, in accordance to IndAS 16, the said Property (pending its conveyance) is continued to be shown as aforesaid.

## 14. Other Intangible Assets

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount	
	As at 1st April, 2021	As at 31st March, 2022	As at 1st April, 2021	As at 31st March, 2022	Disposals and other adjustments	Impairment Charge	As at 31st March, 2022	As at 31st March, 2022
<b>Assets for Own use</b>								
Software	3,375	3,375	2,218	318	-	-	2,536	839
Tenancy	-	-	-	-	-	-	-	-
Assets given on Operating lease Software	612	554	592	18	58	-	552	2
<b>Total</b>	<b>3,987</b>	<b>3,929</b>	<b>2,810</b>	<b>336</b>	<b>58</b>	<b>-</b>	<b>3,088</b>	<b>841</b>

Breakup of Depreciation/ Amortisation and Impairment for the year/ period ended 31st March, 2022 is as below:

Particulars	(₹ in Lacs)
Property, Plant and Equipment	55,734
Other Intangible Assets	336
Investment Property	36
Right-of-use Assets	884
<b>Total</b>	<b>56,990</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 13. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount	
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 1st April, 2020	Depreciation/ amortisation Charge	Impairment Charge	As at 31st March, 2021	As at 31st March, 2021
<b>Assets for Own use</b>								
Freehold Land *	16,060	-	12,753	-	-	-	3,307	-
Buildings * #	16,006	17	1,508	721	306	-	1,026	13,489
Plant and Machinery	22,603	10	-	3,096	1,033	-	4,129	18,484
Furniture and Fixtures	3,149	16	(10)	769	589	-	1,358	1,817
Motor Vehicles	378	-	(21)	128	73	-	223	176
Computers & Office Equipments	1,127	12	-	843	149	-	1,006	133
Leasehold Improvements	4,356	-	-	2,366	638	-	3,004	1,352
<b>(A)</b>	<b>63,679</b>	<b>55</b>	<b>14,230</b>	<b>7,923</b>	<b>2,788</b>	<b>-</b>	<b>10,746</b>	<b>38,758</b>
<b>Assets given on Operating lease</b>								
Plant and Machinery	174,173	212	5,037	43,532	17,570	7,276	65,748	103,600
Earthmoving Equipments	153,954	-	19,248	61,810	21,960	-	72,671	62,035
Furniture and Fixtures	9,229	-	974	2,889	1,020	-	3,304	4,951
Motor Vehicles	97,157	-	8,463	43,183	13,465	-	50,324	38,370
Windmills	9,968	-	2,147	2,870	812	-	2,937	4,884
Computers & Office Equipments	40,452	-	3,896	20,196	7,039	-	24,077	12,479
Aircraft	379	-	-	122	40	-	162	217
<b>Total (C) = (A+B)</b>	<b>485,312</b>	<b>212</b>	<b>39,765</b>	<b>174,602</b>	<b>61,906</b>	<b>7,276</b>	<b>219,223</b>	<b>226,536</b>
	<b>548,991</b>	<b>267</b>	<b>53,995</b>	<b>182,525</b>	<b>64,694</b>	<b>7,276</b>	<b>229,969</b>	<b>265,294</b>

\* Gross Block of Freehold Land and Building amounting to ₹12,753 Lacs and ₹1,447 Lacs has been transferred to assets acquired in satisfaction of debt.

# Building includes Gross carrying amount of ₹8,747 Lacs in respect of property at Saket Place, New Delhi (Property), which was purchased by the Company from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice.

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

## 14. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount			Depreciation/ Amortisation and Impairment			Net Carrying Amount	
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 1st April, 2020	Depreciation/ amortisation Charge	Impairment Charge	As at 31st March, 2021	As at 31st March, 2021
<b>Assets for Own use</b>								
Software	2,222	1,153	-	1,832	382	-	2,218	1,157
Assets given on Operating leaseSoftware	680	-	68	618	46	-	592	20
<b>Total</b>	<b>2,902</b>	<b>1,153</b>	<b>68</b>	<b>2,450</b>	<b>428</b>	<b>-</b>	<b>2,810</b>	<b>1,177</b>

Breakup of Depreciation/ Amortisation and Impairment for the year/ period ended 31st March, 2021 is as below:

(₹ in Lacs)

Particulars	Total
Property, Plant and Equipment	71,970
Other Intangible Assets	428
Investment Property	36
Right-of-use Assets	1,022
<b>Total</b>	<b>73,456</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 15. Trade Payables

### (i) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at	
	March 31, 2022	March 31, 2021
a) The principal amount and interest due thereon remaining unpaid to any supplier	210	14
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<b>210</b>	<b>14</b>

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

The Company is currently undergoing CIRP under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. No interest was payable till the insolvency commencement date i.e. October 8th, 2021 and post CIRP the Company has not provided for any interest.

### (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at	
	March 31, 2022	March 31, 2021
For Supplies and Services	1,130	373
Others	6,239	8,875
<b>Total</b>	<b>7,369</b>	<b>9,248</b>

### (iii) Trade Payables ageing schedule

#### Trade Payables ageing schedule as at March 31, 2022 :

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	210	-	-	-	210
(ii) Others	4,089	1,072	584	562	6,307
(iii) Disputed dues- MSMEs	-	-	-	-	-
(iv) Disputed dues- Others	148	233	433	248	1,062
<b>Total</b>	<b>4,447</b>	<b>1,305</b>	<b>1,017</b>	<b>810</b>	<b>7,579</b>

#### Trade Payables ageing schedule as at March 31, 2021 :

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	14	-	-	14
(ii) Others	5,305	1,078	1,463	651	8,497
(iii) Disputed dues- MSMEs	-	-	-	-	-
(iv) Disputed dues- Others	80	110	498	63	751
<b>Total</b>	<b>5,385</b>	<b>1,202</b>	<b>1,961</b>	<b>714</b>	<b>9,262</b>

## 16. Debt Securities

(₹ in Lacs)

Particulars	As at 31st March, 2022				As at 31st March, 2021			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
<b>Secured (Refer Note No. 57 and 67)</b>								
Non-Convertible Debentures	255,503	-	-	255,503	240,281	-	-	240,281
Long-Term Infrastructure Bonds	4,049	-	-	4,049	3,867	-	-	3,867
<b>Total</b>	<b>259,552</b>	<b>-</b>	<b>-</b>	<b>259,552</b>	<b>244,148</b>	<b>-</b>	<b>-</b>	<b>244,148</b>
Debt securities in India	259,552	-	-	259,552	244,148	-	-	244,148
Debt securities outside India	-	-	-	-	-	-	-	-
<b>Total</b>	<b>259,552</b>	<b>-</b>	<b>-</b>	<b>259,552</b>	<b>244,148</b>	<b>-</b>	<b>-</b>	<b>244,148</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 16.1. Secured Non-Convertible Debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) ##		Interest rate (%) *	Earliest redemption date/ Balance tenure (years)
		As at March 31st, 2022 (Refer Note No. 1(a), 55, 56, 57 & 58)	As at March 31st, 2021 (Refer Note No. 46)		
<b>Private Placement:</b>					
18 January, 2018	1,000,000	1,000	1,000	11.00%	18 January, 2028
20 December, 2016	1,000,000	1,000	1,000	11.00%	20 December, 2026
26 March, 2018	1,000,000	1,650	1,650	11.00%	26 March, 2025
09 December, 2014	1,000,000	1,900	1,900	12.05%	09 December, 2024
03 October, 2017	1,000,000	600	600	10.99%	03 October, 2024
15 September, 2017	1,000,000	2,350	2,350	10.50%	15 September, 2024
22 June, 2017	1,000,000	2,000	2,000	11.23%	22 June, 2024
20 June, 2014 \$\$	1,000,000	1,000	1,000	12.90%	20 June, 2024
13 June, 2014 \$\$	1,000,000	1,000	1,000	12.92%	13 June, 2024
10 June, 2014	1,000,000	1,000	1,000	13.40%	10 June, 2024
31 May, 2017	1,000,000	1,000	1,000	11.32%	31 May, 2024
26 May, 2017	1,000,000	2,000	2,000	11.45%	26 May, 2024
30 January, 2019	1,000,000	30,000	30,000	12.50%	30 January, 2024
02 December, 2016	1,000,000	500	500	11.00%	02 December, 2023
29 November, 2013	1,000,000	450	450	13.10%	29 November, 2023
04 April, 2018	1,000,000	1,400	1,400	10.30%	04 April, 2023
14 March, 2018	1,000,000	500	500	10.30%	14 March, 2023
24 January, 2013	1,000,000	110	110	13.50%	24 January, 2023
05 October, 2012	1,000,000	2,000	2,000	13.35%	05 October, 2022
31 July, 2012	1,000,000	130	130	13.40%	31 July, 2022
8 June 2012 \$	1,000,000	70	70	13.40%	08 June, 2022
29 October, 2011	1,000,000	3,000	3,000	13.90%	29 October, 2021
06 October, 2016	1,000,000	500	500	11.95%	06 October, 2021
09 September, 2011	1,000,000	1,000	1,000	13.90%	09 September, 2021
<b>Public Issue:</b>					
11 May, 2015 #	1,000	3,215	3,215	12.25%-12.50%	7 years
17 January, 2017 #	1,000	33,842	33,842	11.11%-11.76%	5 years
25 May 2018	1,000	41,598	41,598	10.75%-11.61%	3 - 10 years
24 January 2019	1,000	14,005	14,005	11.81%-12.78%	3 - 5 years
06 October 2016	1,000	15,585	15,585	11.60%-12.00%	5 years
27 February 2017	1,000	17,547	17,547	11.12%-11.75%	5 years
16 March 2018	1,000	27,110	27,110	10.65%-11.25%	5 years
15 May 2019	1,000	9,363	9,363	12.05%-13.00%	3 - 5 years
<b>Total</b>		<b>218,425</b>	<b>218,425</b>		

Pursuant to initiation of CIRP (Refer Note No. 1(a)), amount outstanding as at March 31st, 2022 are overdue.

\* Includes penal interest

## Does not include effective interest rate adjustment ₹Nil (March 31st, 2021: ₹1,586 Lacs), Interest Accrued and not due ₹Nil (March 31st, 2021: ₹13,112 Lacs), discounting on face value impact of ₹Nil (March 31st, 2021: ₹3 Lacs) and overdue interest ₹37,078 Lacs (March 31st, 2021: ₹10,332 Lacs).

Security: (Refer Note No- 65 & 66)

§ The Secured Non-Convertible Debentures are secured by way of pari-passu charge on immovable properties at West Bengal.

\$\$ The Secured Non-Convertible Debentures are secured by way of pari-passu charge on the Company's immovable properties located at West Bengal and exclusive & specific charge on the identified receivables of the Company. # The public issue of Secured Non-Convertible Debentures are secured by way of pari-passu charge on the Company's immovable properties located at Tamil Nadu and exclusive and/or specific charge on specific receivables / assets of the Company. All the above Non-Convertible Debentures except those marked

#, \$, \$\$ are secured by way of pari-passu charge on immovable properties and/or exclusive first charge on the specific receivables / assets of the Company.

## 16.2. Long-Term Infrastructure Bond

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) ***		Interest rate (%) **	Earliest redemption date
		As at March 31st, 2022 (Refer Note No. 1(a), 56, 57 & 59)	As at March 31st, 2021 (Refer Note No. 46)		
Thursday, March 22, 2012	1,000	967	967	11.15%	22 March 2027
Thursday, March 22, 2012	1,000	1,055	1,055	10.90%	22 March 2022
<b>Total</b>		<b>2,022</b>	<b>2,022</b>		

The above debentures are redeemable at par in single instalment.

Pursuant to initiation of CIRP (Refer Note No. 1(a)), amount outstanding as at March 31st, 2022 are overdue.

\*\* Includes penal interest

\*\*\* Does not include Interest Accrued and not due ₹Nil (March 31st, 2021: ₹1,799 Lacs) and overdue interest ₹2,027 Lacs (March 31st, 2021: ₹46 Lacs).

Security: Long-term infrastructure bonds are secured by way of pari-passu mortgage/charge on immovable properties located at West Bengal and exclusive charge on specific receivables of the Company.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 17. Borrowings (Other than Debt Securities) (₹ in Lacs)

Particulars	As at 31st March, 2022			As at 31st March, 2021				
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
<b>(a) Secured (Refer Note No. 67)</b>								
<b>Term Loans</b>								
From Banks								
– Rupee Loans	219,716	-	-	219,716	209,517	-	-	209,517
– Foreign Currency Loans	95,196	-	-	95,196	90,278	-	-	90,278
From Financial Institutions								
– Rupee Loans	207,630	-	-	207,630	154,448	-	-	154,448
– Foreign Currency Loans	74,778	-	-	74,778	114,605	-	-	114,605
Working Capital Facilities	1,999,379	-	-	1,999,379	1,961,033	-	-	1,961,033
Collateral Borrowings	13,993	-	-	13,993	40,451	-	-	40,451
<b>(b) Unsecured</b>								
<b>Term Loans</b>								
From Banks								
– Foreign Currency Loans	31,765	-	-	31,765	30,582	-	-	30,582
From Others								
– Foreign Currency Loans	25,178	-	-	25,178	23,933	-	-	23,933
Inter Corporate Deposits	106	-	-	106	105	-	-	105
Deferred Payment Liabilities	9,123	-	-	9,123	22,601	-	-	22,601
<b>Total</b>	<b>2,676,864</b>	<b>-</b>	<b>-</b>	<b>2,676,864</b>	<b>2,647,553</b>	<b>-</b>	<b>-</b>	<b>2,647,553</b>
Borrowings in India	2,449,947	-	-	2,449,947	2,431,607	-	-	2,431,607
Borrowings outside India	226,917	-	-	226,917	215,946	-	-	215,946
<b>Total</b>	<b>2,676,864</b>	<b>-</b>	<b>-</b>	<b>2,676,864</b>	<b>2,647,553</b>	<b>-</b>	<b>-</b>	<b>2,647,553</b>

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

### 17.1. Secured Term Loans

(₹ in Lacs)

Particulars	Repayment terms (Refer Note No. 1(a), 56, 57 & 59)							Nature of security	
	Outstanding (₹ in Lacs)	Overdue @ March 31st 2022	Monthly (₹ in Lacs)	Quarterly (₹ in Lacs)	Half yearly	Single instalment	Balance tenure (years)		Rate of Interest per annum
Rupee term loans From Banks	219,716	219,716	-	-	-	-	0 - 4	8%-19%	Hypothecation of specific assets covered by hypothecation loan agreements and/ or lease agreements with customers and/ or receivables arising there from.
From Financial institutions	207,630	207,630	-	-	-	-	0 - 3	8%-16%	
<b>Total</b>	<b>427,346</b>	<b>427,346</b>	-	-	-	-	-	-	
Foreign currency term loans From Banks	95,196	95,196	-	-	-	-	1 - 3	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
From Financial institutions	74,778	74,778	-	-	-	-	0 - 7	5%-12%	
<b>Total</b>	<b>169,974</b>	<b>169,974</b>	-	-	-	-	-	-	

Pursuant to initiation of CIRP (Refer Note No. 1(a)), amount outstanding as at March 31st, 2022 are overdue.

Does not include effective interest rate adjustment and Interest Accrued and not due ₹Nil.

@ It includes interest overdue.

(₹ in Lacs)

Particulars	Repayment terms (Refer Note No. 46 to the Financial Statements for the year ended March 31st, 2021)							Nature of security	
	Outstanding (₹ in Lacs)	Overdue @ March 31st 2021	Monthly (₹ in Lacs)	Quarterly (₹ in Lacs)	Half yearly	Single instalment	Balance tenure (years)		Rate of Interest per annum
Rupee term loans From banks **	209,604	64,734	7,087	137,783	-	-	0 - 5	8%-13%	Hypothecation of specific assets covered by hypothecation loan agreements and/ or lease agreements with customers and/ or receivables arising there from.
From financial institutions ***	154,110	24,651	50	57,375	72,034	-	0 - 4	8%-13%	
<b>Total</b>	<b>363,714</b>	<b>89,385</b>	<b>7,137</b>	<b>195,158</b>	<b>72,034</b>	-	-	-	
Foreign currency term loans From banks #	90,557	1,569	-	-	88,988	-	2 - 4	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
From financial institutions ##	114,687	15,680	-	-	89,869	9,138	0 - 8	<10%	
<b>Total</b>	<b>205,244</b>	<b>17,249</b>	-	-	<b>178,857</b>	<b>9,138</b>	-	-	

\*\* Does not include effective interest rate adjustment and Interest Accrued and not due ₹199 Lacs and ₹112 Lacs respectively.

\*\*\* Does not include effective interest rate adjustment and Interest Accrued and not due ₹13 Lacs and ₹351 Lacs respectively.

# Does not include effective interest rate adjustment and Interest Accrued and not due ₹879 Lacs and ₹600 Lacs respectively.

## Does not include effective interest rate adjustment and Interest Accrued and not due ₹592 Lacs and ₹510 Lacs respectively.

@ It also includes interest overdue.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

17.2. Secured Working capital facilities (Refer Note No. 1(a), 56, 57 & 59 and for previous year refer note no. 46 to the Financial Statements for the year ended March 31st, 2021)

Working capital facilities (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets covered by respective hypothecation loan agreements and lease agreements with customers and receivables arising therefrom ranking pari-passu (excluding assets specifically charged to others). Further collateral security in the form of fixed deposits amounting to ₹38 Lacs (March 31st, 2021; ₹35 Lacs) is also given on behalf of the consortium.

- As at March 31st, 2022, Working capital facilities from banks include Working capital demand loans (WC DL) aggregating to ₹6,85,517 Lacs (March 31st, 2021: ₹6,56,526 Lacs). Does not include interest accrued and not due ₹Nil (March 31st, 2021 : ₹46 Lacs). Rate of interest for WC DL ranges from 8% to 19% per annum (March 31st, 2021 : from 7% to 14% per annum). The above WC DL includes principal and interest overdue.
- As at March 31st, 2022, Working capital facilities from banks includes Funded Interest Term Loan (FITL) ₹81,506 Lacs (March 31st, 2021: ₹94,027 Lacs). Does not include interest accrued and not due ₹Nil (March 31st, 2021 : ₹Nil). Rate of interest for FITL ranges from 9% to 19% per annum (March 31st, 2021 : from 7% to 16% per annum). The above FITL amount includes principal and interest overdue.
- As at March 31st, 2022, for other working capital facilities (Cash credit) including overdue interest, rate of interest ranges from 9% to 18% per annum (March 31st, 2021 : from 8% to 14% per annum).

### 17.3. Secured Collateralised Borrowings

(₹ in Lacs)

Particulars	Outstanding (₹ in Lacs)	Repayment terms (₹ in Lacs)			Balance Single instalment	Rate of Interest tenure (years)	Rate of Interest per annum	Nature of security
		Overdue @#	Monthly	Quarterly				
Collateralised Borrowings	14,212	750	10,834	2,628	-	0-4	8%-13%	This represents amount against assignment of future lease rentals.
<b>Total</b>	<b>14,212</b>	<b>750</b>	<b>10,834</b>	<b>2,628</b>	-			

Does not include effective interest rate adjustment ₹ 320 Lacs and Interest accrued and not due ₹ 102 Lacs.

@ It also includes interest overdue.

# The overdue is due to outstanding receivables from the customers.

Particulars	Outstanding (₹ in Lacs)	Repayment terms (₹ in Lacs)			Balance Single instalment	Rate of Interest tenure (years)	Rate of Interest per annum	Nature of security
		Overdue @#	Monthly	Quarterly				
Collateralised Borrowings	41,032	5,919	29,063	6,050	-	0-5	7%-13%	This represent amount received against securitisation of hypothecation loan, which does not qualify for derecognition, and assignment of future lease rentals.
<b>Total</b>	<b>41,032</b>	<b>5,919</b>	<b>29,063</b>	<b>6,050</b>	-			

Does not include effective interest rate adjustment ₹ 821 Lacs and Interest accrued and not due ₹ 240 Lacs.

@ It also includes interest overdue.

# The overdue is due to outstanding receivables from the customers.

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

### 17.4. Unsecured term loans (₹ in Lacs)

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 1(a), 56, 57 & 59)			Yearly	Balance tenure (years)	Rate of Interest per annum
		As at March 31st, 2022	Overdue@	Quarterly			
Foreign currency term loan from bank	31,765	31,765	-	-	-	4-7	<10%
Foreign currency term loan from financial Institutions	25,178	25,178	-	-	-	0-6	<10%
<b>Total</b>	<b>56,943</b>	<b>56,943</b>	<b>-</b>	<b>-</b>	<b>-</b>		

Pursuant to initiation of CIRP (Refer Note No. 1(a)), amount outstanding as at March 31st, 2022 are overdue.  
Does not include effective interest rate adjustment ₹ Nil and Interest accrued and not due ₹ Nil.  
@ It also includes interest overdue.

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 46 to the Financial Statements for the year ended March 31st, 2021)			Yearly	Balance tenure (years)	Rate of Interest per annum
		As at March 31st, 2021	Overdue@	Quarterly			
Foreign currency term loan from bank *	30,972	1,076	-	29,896	-	5-8	<10%
Foreign currency term loan from financial Institutions **	24,123	5,377	8,773	9,973	-	0-7	<10%
<b>Total</b>	<b>55,095</b>	<b>6,453</b>	<b>8,773</b>	<b>39,869</b>	<b>-</b>		

\* Does not include effective interest rate adjustment ₹544 Lacs and Interest accrued and not due ₹154 Lacs.

\*\* Does not include effective interest rate adjustment ₹300 Lacs and Interest accrued and not due ₹110 Lacs.  
@ It also includes interest overdue.

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

### 17.5. Unsecured Deferred payment liabilities (₹ in Lacs)

Particulars	Outstanding				Repayment terms (Refer Note No. 1(a), 56, 57 & 58)			Rate of Interest per annum
	(₹ in Lacs)				(₹ in Lacs)			
	As at March 31st, 2022	Overdue @	Monthly	Quarterly	Half yearly	Yearly	Balance tenure (years)	
Deferred payment liabilities	9,123	9,123	-	-	-	-	0-2	0%-10%
<b>Total</b>	<b>9,123</b>	<b>9,123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

@ It also includes interest overdue.

Particulars	Outstanding				Repayment terms (₹ in Lacs)			Rate of Interest per annum
	(₹ in Lacs)				(₹ in Lacs)			
	As at March 31st, 2021	Overdue @	Monthly	Quarterly	Half yearly	Yearly	Balance tenure (years)	
Deferred payment liabilities	22,601	8,450	14,151	-	-	-	0-3	0%-10%
<b>Total</b>	<b>22,601</b>	<b>8,450</b>	<b>14,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

@ It also includes interest overdue.

### 17.6. Inter-corporate deposits (₹ in Lacs)

Particulars	Outstanding				Repayment terms (Refer Note No. 1(a), 56, 57 & 58)			Rate of Interest per annum
	(₹ in Lacs)				(₹ in Lacs)			
	As at March 31st, 2022	Overdue @	Monthly	Quarterly	Half yearly	Yearly	Balance tenure (years)	
Inter-corporate deposits	106	106	-	-	-	-	0-1	7%
<b>Total</b>	<b>106</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Does not includes Interest accrued and not due ₹ Nil.

Particulars	Outstanding				Repayment terms (₹ in Lacs)			Rate of Interest per annum
	(₹ in Lacs)				(₹ in Lacs)			
	As at March 31st, 2021	Overdue @	Monthly	Quarterly	Half yearly	Yearly	Balance tenure (years)	
Inter-corporate deposits	100	-	-	-	-	-	0-1	7%
<b>Total</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	

Does not includes Interest accrued and not due ₹ 5 Lacs.

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

Particulars	As at 31st March, 2022			As at 31st March, 2021			Total
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	
Subordinated Perpetual bonds/debentures (Tier I Capital)	48,016	-	-	48,016	-	-	47,193
Subordinated bonds/debentures (Tier II Capital)	229,741	-	-	229,741	-	-	214,704
Subordinated Loans - Unsecured	16,825	-	-	16,825	-	-	16,634
<b>Total</b>	<b>294,582</b>	<b>-</b>	<b>-</b>	<b>294,582</b>	<b>-</b>	<b>-</b>	<b>278,531</b>
Subordinated Liabilities in India	294,582	-	-	294,582	-	-	278,531
Subordinated Liabilities outside India	-	-	-	-	-	-	-
<b>Total</b>	<b>294,582</b>	<b>-</b>	<b>-</b>	<b>294,582</b>	<b>-</b>	<b>-</b>	<b>278,531</b>

### 18.1. Unsecured subordinated perpetual debentures (Tier I Capital) \*

During the year ended March 31st, 2022, the Company raised Unsecured subordinated perpetual debentures amounting ₹Nil (March 31st, 2021 : ₹Nil). As at March 31st, 2022, the amount of principal outstanding in respect of unsecured subordinated perpetual debentures is ₹46,750 Lacs (March 31st, 2021 : ₹46,750 Lacs). These perpetual debentures have call option as per contractual terms which is exercisable with prior approval of RBI. These perpetual debentures have a step up coupon rate of 100 basis points per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment.

Interest rate (%)	Amount outstanding (₹ in Lacs)			Earliest call option date
	As at March 31st, 2022 (Refer Note No. 1(a), 55, 56, 57 & 58)	As at March 31st, 2021 (Refer Note No. 46 to the Financial Statements for the year ended March 31st, 2021)		
10.00%	32,000	32,000		01 April, 2029
10.00%	1,000	1,000		22 April, 2029
13.00% **	10,000	10,000		13 December, 2028
14.50% **	3,750	3,750		30 December, 2021 ***
<b>Total</b>	<b>46,750</b>	<b>46,750</b>		

\* Does not include effective interest rate adjustment ₹Nil (March 31st, 2021: ₹4 Lacs). Interest accrued and not due ₹Nil (March 31st, 2021: ₹47 Lacs) and overdue interest ₹1,265 Lacs (March 31st, 2021: ₹Nil).

\*\* These perpetual debentures have a step up coupon rate of 100 basis points per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment.\*\* Includes penal interest

\*\*\* CIRP has been initiated against the Company, as stated in Note No. 1(a) and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8th, 2021 (i.e. date of commencement of CIRP). Considering the same, the Company has not able to exercise Call Option at the end of 10th year from the date of allotment.



## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

### 18.2. Unsecured Rupee subordinated loans (Tier II Capital)

Particulars	Outstanding		Repayment terms			Rate of Interest per annum
	(₹ in Lacs)	Overdue @	(₹ in Lacs)	Single Instalment	Balance tenure (years)	
Rupee Subordinated term loans (Tier II Capital) *	16,825	16,825	-	-	0 - 1	10%-11%
<b>Total</b>	<b>16,825</b>	<b>16,825</b>	-	-	-	-

Pursuant to initiation of CIRP (Refer Note No. 1(a)), amount outstanding as at March 31st, 2022 are overdue.

\* Does not include effective interest rate adjustment ₹ Nil and interest accrued and not due ₹ Nil.

@ It also includes interest overdue.

Particulars	Outstanding		Repayment terms			Rate of Interest per annum
	(₹ in Lacs)	Overdue @	(₹ in Lacs)	Single Instalment	Balance tenure (years)	
Rupee Subordinated term loans (Tier II Capital)	16,631	1,631	-	15,000	0 - 2	10%-11%
<b>Total</b>	<b>16,631</b>	<b>1,631</b>	-	<b>15,000</b>	<b>15,000</b>	<b>10%-11%</b>

Does not include effective interest rate adjustment ₹41 Lacs and interest accrued and not due ₹44 Lacs.

@ It also includes interest overdue.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 18.3 Unsecured subordinated redeemable non-convertible debentures (Tier II Capital)

During the year ended March 31st, 2022, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹Nil (March 31st, 2021 ₹Nil). The following table sets forth, outstanding as at the Balance Sheet date:

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) #		Interest rate (%) *	Earliest redemption date/ Balance tenure (years)
		As at March 31st, 2022 (Refer Note No. 1(a), 55, 56, 57 & 58)	As at March 31st, 2021 (Refer Note No. 46 to the Financial Statements for the year ended March 31st, 2021)		
<b>Private Placement:</b>					
10 October, 2018	1,000,000	500	500	12.25%	10 October, 2028
23 June, 2017	1,000,000	4,500	4,500	11.00%	23 June, 2027
30 March, 2017	1,000,000	5,000	5,000	12.25%	30 March, 2027
04 November, 2016	1,000,000	1,000	1,000	11.85%	04 November, 2026
07 October, 2016	1,000,000	4,000	4,000	12.75%	07 October, 2026
04 October, 2016	1,000,000	1,500	1,500	12.75%	04 October, 2026
24 August, 2016	1,000,000	3,000	3,000	11.50%	24 August, 2026
26 May, 2016	1,000,000	350	350	12.25%	26 May, 2026
25 May, 2016	1,000,000	2,000	2,000	12.75%	25 May, 2026
31 March, 2016	1,000,000	2,000	2,000	12.00%	31 March, 2026
18 March, 2016	1,000,000	500	500	12.70%	18 March, 2026
05 February, 2016	1,000,000	500	500	12.60%	05 February, 2026
20 January, 2016	1,000,000	500	500	12.60%	20 January, 2026
11 January, 2016	1,000,000	1,500	1,500	12.60%	11 January, 2026
24 September, 2015	1,000,000	500	500	12.50%	24 September, 2025
20 August, 2015	1,000,000	1,000	1,000	12.50%	20 August, 2025
13 August, 2015	1,000,000	15,000	15,000	12.75%	13 August, 2025
16 March, 2015	1,000,000	500	500	13.00%	16 March, 2025
01 March, 2017	1,000,000	500	500	12.40%	01 June, 2024
03 July, 2018	1,000,000	5,000	5,000	12.25%	03 May, 2024
25 October, 2016	1,000,000	5,000	5,000	11.80%	25 April, 2024
10 March, 2017	1,000,000	7,500	7,500	12.95%	10 March, 2024
17 July, 2013	1,000,000	2,300	2,300	12.75%	17 July, 2023
29 June, 2013	1,000,000	3,540	3,540	12.75%	29 June, 2023
07 May, 2013	1,000,000	2,080	2,080	13.25%	07 May, 2023
24 September, 2015	1,000,000	1,200	1,200	12.40%	24 April, 2023
29 March, 2016	1,000,000	200	200	12.70%	29 March, 2023
28 March, 2013	1,000,000	1,650	1,650	13.25%	28 March, 2023
01 March, 2013	1,000,000	1,750	1,750	13.25%	01 March, 2023
28 January, 2013	1,000,000	700	700	13.80%	28 January, 2023
24 January, 2013	1,000,000	900	900	13.25%	24 January, 2023
24 January, 2013	1,000,000	6,070	6,070	13.80%	24 January, 2023
16 January, 2013	1,000,000	250	250	13.70%	16 January, 2023
16 January, 2013	1,000,000	7,000	7,000	13.85%	16 January, 2023
17 December, 2012	1,000,000	1,700	1,700	13.50%	17 December, 2022
31 October, 2012	1,000,000	490	490	13.70%	31 October, 2022
18 October, 2012	1,000,000	1,060	1,060	13.70%	18 October, 2022
28 September, 2012	1,000,000	2,890	2,890	13.70%	28 September, 2022
13 August, 2015	1,000,000	5,000	5,000	12.75%	13 August, 2022
31 July, 2012	100,000	1,206	1,206	13.50%	31 July, 2022
09 March, 2017	1,000,000	500	500	12.18%	09 June, 2022
01 June, 2012	100,000	1,130	1,130	13.50%	01 June, 2022
30 March, 2012	1,000,000	10,000	10,000	13.40%	30 March, 2022
12 January, 2012	100,000	8,410	8,410	13.90%	12 January, 2022
11 January, 2012	100,000	6,600	6,600	13.90%	11 January, 2022
23 December, 2011	100,000	6,905	6,905	13.90%	23 December, 2021
01 February, 2016	1,000,000	700	700	12.15%	01 May, 2021
24 September, 2015	1,000,000	2,360	2,360	12.30%	24 April, 2021
<b>Public Issue:</b>					
24 January, 2019	1,000	1,428	1,428	12.75%-13.00%	10 years
08 August, 2017	1,000	56,199	56,199	11.25%-11.70%	5 - 10 years
16 March, 2018	1,000	2,702	2,702	11.12%-11.75%	10 years
<b>Total</b>		<b>198,770</b>	<b>198,770</b>		

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

Pursuant to initiation of CIRP (Refer Note No. 1(a)), amount outstanding as at March 31st, 2022 are overdue.

\* Includes penal interest

# Does not include effective interest rate adjustment ₹Nil (March 31st, 2021: ₹1,941 Lacs), Interest Accrued and not due ₹Nil (March 31st, 2021: ₹9,814 Lacs), discounting on face value impact of ₹Nil (March 31st, 2021: ₹122 Lacs) and overdue interest ₹30,971 Lacs (March 31st, 2021: ₹8,183 Lacs).

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 19. Other Financial Liabilities

(₹ in Lacs)

Particulars	2021-22		2020-21	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Unpaid Dividends (Refer Note No. 19.1)		24		30
Unpaid Matured Debentures and Interest Accrued thereon		333		361
Trade Deposits received		11,784		15,384
Security Deposits & Retentions		531		529
Payable to Employees		1,375		1,174
Liability for Operating Expenses		3,661		4,517
Financial Guarantee Liability		227		269
Advance from Operating Lease Customers		2,065		1,913
Advances and Due to Others		150		110
<b>Total</b>		<b>20,150</b>		<b>24,287</b>

19.1. To be credited to Investor Education and Protection Fund as and when due.

## 20. Provisions

(₹ in Lacs)

Particulars	2021-22		2020-21	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Provision for employee benefits (Refer Note No. 47)				
Provision for Gratuity		372		359
Provision for Unavailed Leave		463		1,025
<b>Others</b>				
Provision against disputed statutory dues under litigation (refer note no. 63)		15,001		199
<b>Total</b>		<b>15,836</b>		<b>1,583</b>

## 21. Other Non-Financial Liabilities

(₹ in Lacs)

Particulars	2021-22		2020-21	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Interest Capitalisation Account		1,495		1,891
Advance from Customers		5		50
Statutory Liabilities		2,741		5,108
Pre-received Rent		290		1,473
<b>Total</b>		<b>4,531</b>		<b>8,522</b>

## 22. Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
<b>Authorised</b>				
Equity Shares, ₹ 10/- par value per share	1,000,000,000	100,000	1,000,000,000	100,000
Preference Shares, ₹ 100/- par value per share	50,000,000	50,000	50,000,000	50,000
		<b>150,000</b>		<b>150,000</b>
<b>Issued and subscribed</b>				
Equity Shares, ₹ 10/- par value per share	503,086,333	50,309	503,086,333	50,309
Fully Paid-up				
Equity Shares, ₹ 10/- par value per share	503,086,333	50,309	503,086,333	50,309
<b>Forfeited Shares</b>				
	-	-	-	-
		<b>50,309</b>		<b>50,309</b>

### 22.1. Reconciliation of the number of equity shares outstanding

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

(₹ in Lacs)

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-
Add: Issued as fully paid-up bonus shares by capitalisation of Securities Premium	-	-	-	-
Add: Allotment pursuant to Scheme of Amalgamation, without payment being received in Cash	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 22.2 Rights, preferences and restrictions in respect of each class of shares

The Group's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ' 10/- and ' 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Group during the year ended 31st March, 2022 and 31st March, 2021.

Dividend are declared in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 22.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2022)

The Group has not issued any shares without payment being received in cash/ by way of bonus shares since 2016-17.

## 22.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

(₹ in Lacs)

Name of the shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	303,675,845	60.36%	303,675,845	60.36%

## 22.5 Shareholding of promoters as at March 31, 2022 :

Shares held by promoters at the end of the year				
Sl.	Promoter name	No. of shares *	% of total shares	% Change during the year
(i)	Adisri Commercial Private Limited (Holding Company)	303,675,845	60.36%	-
(ii)	Sunil Kanoria	1,802,714	0.36%	-
(iii)	Hemant Kanoria	380,000	0.08%	-
<b>Total</b>		<b>305,858,559</b>	<b>60.80%</b>	

## Shareholding of promoters as at March 31, 2021:

Shares held by promoters at the end of the year				
Sl.	Promoter name	No. of shares *	% of total shares	% Change during the year
(i)	Adisri Commercial Private Limited (Holding Company)	303,675,845	60.36%	-
(ii)	Sunil Kanoria	1,802,714	0.36%	-
(iii)	Hemant Kanoria	380,000	0.08%	-
<b>Total</b>		<b>305,858,559</b>	<b>60.80%</b>	

\* Class of shares is Equity shares, ₹10/- face value

22.6 Refer Note No. 42 - for Company's capital management objectives, policies and processes.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 23. Other Equity

(₹ in Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)</b>		
Opening balance	54,904	54,904
Add: Transfer from retained earnings	315	-
Closing balance	55,219	54,904
<b>Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)</b>		
Opening balance	25,834	25,834
Closing balance	25,834	25,834
<b>Capital Reserve</b>		
Opening balance	104,744	104,744
Closing balance	104,744	104,744
Securities Premium		
Opening balance	62,441	62,441
Closing balance	62,441	62,441
<b>Bond/Debenture Redemption Reserve</b>		
Opening balance	10,222	11,885
Less: Transfer to retained earnings, on repayment of Bond/Debenture	-	(1,663)
Closing balance	10,222	10,222
<b>General Reserve</b>		
Opening balance	136,801	136,801
Closing balance	136,801	136,801
<b>Equity Instruments through Other Comprehensive Income</b>		
Opening balance	6,808	(6,264)
Add: Additions during the year	(17,463)	13,836
Less: Reclassification to Retained Earnings (net of tax)	(1,061)	(764)
Closing balance	(11,716)	6,808
<b>Foreign Currency Translation Reserve</b>		
Opening balance	-	(231)
Add: Additions during the year	11	231
Closing balance	11	-
<b>Impairment Reserve</b>		
Opening balance	447,464	-
Add: Additions during the year	122,999	447,464
Closing balance	570,463	447,464
<b>Debt Instruments through Other Comprehensive Income</b>		
Opening balance	1,162	2,511
Add: Addition during the year	(210)	(1,360)
Less: Reclassified to Consolidated Statement of Profit and Loss	-	11
Closing balance	952	1,162
<b>Effective portion of Cash Flow Hedges</b>		
Opening balance	(13)	(1,033)
Add: Additions during the year	14	1,020
Closing balance	1	(13)
<b>Retained Earnings</b>		
Opening balance	(1,218,576)	(39,663)
Add: Profit for the year	(254,531)	(733,920)
Add: Other Comprehensive Income (net of tax)	(29)	275
	<b>(1,473,136)</b>	<b>(773,308)</b>
<b>Add/ Less: Appropriations</b>		
Transferred to Special Reserve	(315)	-
Transferred to Impairment Reserve	(122,999)	(447,464)
Transferred to Bond/Debenture Redemption Reserve (Net)	-	1,663
Transferred to Foreign Currency Translation Reserve	-	(231)
Reclassification from Other Comprehensive Income	1,061	764
<b>Total appropriations</b>	<b>(122,253)</b>	<b>(445,268)</b>
<b>Closing balance</b>	<b>(1,595,389)</b>	<b>(1,218,576)</b>
<b>Total</b>	<b>(640,417)</b>	<b>(368,209)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## (i) Special Reserve:

Every year the Company and one of the subsidiary i.e. Srei Equipment Finance Limited being the Non-Banking Financial Companies, transfers a sum of not less than twenty percent of net profit after tax of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IC of The Reserve Bank of India Act, 1934.

### The conditions and restrictions for distribution attached to Special Reserve is as follows:

No appropriation of any sum from the reserve fund shall be made by the Group except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

## (ii) Income Tax Special Reserve:

This reserve has been created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961 and any withdrawal from same will be taxable as per provisions of the Income Tax Act, 1961.

## (iii) Capital Reserve:

This reserve represents capital investment subsidy received, amount forfeited towards warrant subscription and amount on cancellation of forfeited equity shares.

## (iv) Securities Premium:

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

## (v) Bond/Debt Redemption Reserve:

Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19th, 2016 issued by Ministry of Corporate Affairs, Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to DRR and no DRR is required in case of privately placed debenture. As per the notification G.S.R. 574(E) dated August 16th, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR is not required for debentures issued by NBFCs regulated by Reserve Bank of India for both public as well as private placement debentures.

## (vi) General Reserve:

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

## (vii) Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

## (viii) Foreign Currency Translation Reserve

Exchange differences arising on translation of a foreign associate are recognised in Other Comprehensive Income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Profit or Loss when the investment is disposed-off.

## (ix) Impairment Reserve:

Impairment reserve created pursuant to paragraph 2 (b) of Annex to the guidelines DOR (NBFC). CC.PD.NO.109/22.10.106/2019-20 dated March 13,2020 issued by RBI on Implementation of Indian Accounting Standards for Non-Banking Finance Companies and Asset Reconstruction Companies comprises of the excess provision as per Income Recognition, Asset classification and Provisioning norms (irac norms) as compared to the provision as per the ECL model adopted by Srei Equipment Finance Limited.

## (x) Debt Instruments through Other Comprehensive Income:

Financial assets measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

## (xi) Effective portion of Cash Flow Hedges:

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

## (xii) Retained Earnings:

This reserve represents the cumulative profits of the Group. This can be utilised in accordance with the provisions of the Companies Act, 2013.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 24. Interest Income

(₹ in Lacs)

Particulars	2021-22				2020-21			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans	2,458	247,703	2,789	252,950	5,993	273,689	617	280,299
Interest income from investments	-	178	22	200	-	1	25	26
Interest on deposits with Banks	-	1,444	-	1,444	1.00	4,985	-	4,986
Other interest Income	-	-	-	-	-	7	-	7
<b>Total</b>	<b>2,458</b>	<b>249,325</b>	<b>2,811</b>	<b>254,594</b>	<b>5,994</b>	<b>278,682</b>	<b>642</b>	<b>285,318</b>

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

(₹ in Lacs)

Particulars	2021-22	2020-21
(A) Net gain/( loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives	1,128	(10,500)
(ii) Net gain/( loss) on financial instruments at fair value through profit or loss		
- Derivatives	-	-
- Investments	(22,635)	(2,169)
- Loans	(12,999)	(23,594)
- Claims Receivable	7,014	(13,604)
<b>Total Net gain/(loss) on fair value changes (A)</b>	<b>(27,492)</b>	<b>(49,867)</b>
Fair Value changes:		
- Realised	(4,964)	13,822
- Unrealised	(22,528)	(63,689)
<b>Total Net gain/(loss) on fair value changes (B) to tally with (A)</b>	<b>(27,492)</b>	<b>(49,867)</b>

## 26. Other Income

(₹ in Lacs)

Particulars	2021-22	2020-21
Liability No Longer Required written back	3,094	302
Interest on Income Tax Refund	386	1,627
Net gain/(loss) on Foreign Currency Transactions	(1,074)	3,398
Others*	314	470
<b>Total</b>	<b>2,720</b>	<b>5,797</b>

\*its includes gain on termination of lease liability amounting to Rs 236 lacs.

## 27. Finance Costs

(₹ in Lacs)

Particulars	2021-2022		2020-21	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	184,792	-	281,844
Interest on debt securities	-	15,413	-	23,901
Interest on subordinated liabilities	-	16,051	-	25,874
Other interest expense	-	662	-	1,826
<b>Total</b>	<b>-</b>	<b>216,918</b>	<b>-</b>	<b>333,445</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 28. Impairment on Financial Instruments (Net)

(₹ in Lacs)

Particulars	2021-2022		2020-21	
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans	(57)	202,009	(644)	542,292
Other financial assets	-	(441)	-	9,664
<b>Total</b>	<b>(57)</b>	<b>201,568</b>	<b>(644)</b>	<b>551,956</b>

## 29. Employee Benefits Expenses

(₹ in Lacs)

Particulars	2021-22	2020-21
Salaries and wages	11,277	13,173
Contribution to provident and other funds	786	1,001
Staff welfare expenses	98	116
<b>Total</b>	<b>12,161</b>	<b>14,290</b>

## 30. Administrative and Other Expenses

(₹ in Lacs)

Particulars	2021-22	2020-21
Rent, Taxes and Energy Costs	5,985	917
Repairs and Maintenance	2,752	3,420
Communication Costs	252	269
Printing and Stationery	83	77
Advertisement and Publicity	101	470
Director's Fees, Allowances and Expenses	225	173
Auditor's Fees and Expenses	399	352
Legal and Professional Charges	4,544	6,097
Insurance	240	184
Repossession Expenses	659	823
Corporate Social Responsibility Expenses (refer Note No. 30.1)	-	723
Travelling & Conveyance	1,422	1,577
Net loss on derecognition of Property, Plant and Equipment	7,413	5,657
Impairment on capital advance	(29)	500
Other Expenditure	94	504
CIRP Cost (refer Note No. 30.2)	1,205	-
<b>Total</b>	<b>25,345</b>	<b>21,743</b>

## 30.1. Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	2021-22	2020-21
Gross amount required to be spent during the year	-	723
Amount spent during the year	-	-
- Construction / acquisition of any asset	-	-
- On purposes other than above	-	673
Paid in Cash	-	150
Yet to be paid in cash	-	573

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 30.1.1.

(₹ in Lacs)

Particulars	2021-22	2020-21
(a) Amount required to be spent by the Company during the year	-	723
(b) Amount of expenditure incurred	N.A.	150
(c) Shortfall at the end of the year	N.A.	573
(d) Total of previous years shortfall	573	439
(e) Reason for shortfall	Due to establishment of TRA A/C, No control	Due to establishment of TRA A/C, No control
(f) Nature of CSR activities	N.A.	Education and Skills Development, Healthcare / Medical facilities, Social and Economic Welfare & Environmental Sustainability.
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	N.A.	N.A.
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	N.A.	N.A.

## 30.2. CIRP Expense

(₹ in Lacs)

Particulars	2021-22	2020-21
Fees to Resolution professional	728	-
Manpower Cost	102	-
Reimbursement of expenses	6	-
Other Expenses	369	-
<b>Total</b>	<b>1,205</b>	<b>-</b>

## 31. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

(₹ in Lacs)

Particulars		2021-22	2020-21
<b>Profit after Tax attributable to the Equity Shareholders (₹ in Lacs)</b>	<b>(A)</b>	<b>(254,475)</b>	<b>(733,839)</b>
Basic and Diluted			
(a) Number of Equity Shares at the beginning of the year		503,086,333	503,086,333
(b) Number of Equity Shares issued during the year	-	-	-
(c) Number of Equity Shares at the end of the year		503,086,333	503,086,333
(d) Weighted average number of Equity Shares outstanding during the year	<b>(B)</b>	503,086,333	503,086,333
(e) Nominal Value of each Equity Share (₹)		10	10
<b>Basic and Diluted Earnings per Equity Share (₹)</b>	<b>(A/B)</b>	<b>(50.58)</b>	<b>(145.87)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 32. Contingent Liabilities and Commitments (To the Extent Not Provided For)

(₹ in Lacs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>A. Contingent Liabilities</b>		
(a) Claims against the Group not acknowledged as debts: *		
Disputed Demands:		
Income Tax	6,982	14,964
Service Tax **	1,868	6,531
Central Sales Tax	-	25
Entry Tax	-	67
Sales Tax	-	211
Value Added Tax (VAT)	1,212	1,538
ESIC 3	3	
(b) Guarantees:		
Corporate Guarantees	5,270	5,270
Bank Guarantees	1,568	1,745
(c) Uncalled money for paid up capital towards investments	620	620
<b>Total</b>	<b>17,523</b>	<b>30,974</b>
<b>B. Commitments</b>		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	***	1
Capital Commitments (to the extent not provided for)	-	-

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

Based on the directions of RBI, during the year ended March 31st, 2022 provision has been made amounting to ₹9,807 Lacs and ₹4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where the Company was under various stages of appeal with the relevant tax authorities (Refer Note No. 63), details of which is as given below : Entry Tax - ₹30 Lacs, Value Added Tax - ₹86 Lacs, Central Sales Tax - ₹1 Lacs, Service tax - ₹400 Lacs, Income Tax - ₹225 Lacs, Central Sales Tax - ₹211 Lacs, Service tax - ₹4,263 Lacs, Income Tax - ₹9,582 Lacs

\*\* Net of ₹518 Lacs (March 31st, 2021: ₹518 Lacs) already provided for in the books of accounts.

\*\*\* ₹40,103/-

**32.1.** Srei Infrastructure Finance Limited has provided Affirming letter (Co-indemnity Letter) in respect of Bharat Road Network Limited and its indemnity obligation under the agreement for divestment of equity shares of Shree Jagannath Expressways Private Limited. As the transaction is not yet consummated, there is no liability on the Company as on 31st March, 2022.

## 33. Financial Guarantees

(₹ in Lacs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Bank Guarantee @	36,141	45,794
Corporate Guarantee @@	9,289	20,324
<b>Total</b>	<b>45,430</b>	<b>66,118</b>

@ Represents bank guarantees issued on behalf of the customer and other parties.

@@ Represents corporate guarantee issued on behalf of the customers.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

**34.** No proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder during the year ended March 31st, 2022 and March 31st, 2021.

## 35. Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31st, 2022, ₹ in lacs	Balance outstanding as on March 31st, 2021, ₹ in lacs	Relationship with the Struck off company, if any, to be disclosed
Raffles Supply Chain Solutions Private limited	Receivables (Loans outstanding)	2,158	1,924	Not Applicable
Vishal Packaging Private Limited	Receivables (Loans outstanding)	210	287	Not Applicable
Uday Associates Private Limited	Receivables (Loans outstanding)	107	60	Not Applicable
Other Outstanding Balances (Interest retained on Pool Assigned)		-	6	Not Applicable
Ishanika Plywoods Private Limited	Receivables (Loans outstanding)	34	42	Not Applicable
Bhatti Automobiles Private Limited	Receivables (Loans outstanding)	34	33	Not Applicable
Shakti Infraestate and Trade Mart Private Limited	Receivables (Loans outstanding)	4	4	Not Applicable
Shreem Coal Carriers Private Limited	Receivables (Loans outstanding)	-	40	Not Applicable
Piyush Developers Private Limited	Receivables (Loans outstanding)	-	11	Not Applicable
Welspun India Limited	Receivables (Loans outstanding)	-	4	Not Applicable
	Other Outstanding Balances (Interest retained on Pool Assigned)	-	1	Not Applicable
Mumtaj Construction Private limited	Receivables (Loans outstanding)	-	5	Not Applicable
Magnate Marketing Services Private limited	Receivable (Stamp Duty Charges)	*	*	Not Applicable
Conneqt Business Solutions Limited	Receivables (Trade Receivables)	-	**	Not Applicable

\* ₹33,000

\*\* ₹3,779

## 36. Undisclosed Income

There are no any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). There are no previously unrecorded income and related assets have been properly recorded in the books of account during the year.

**37.** The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender during the year ended March 31st, 2022 and March 31st, 2021.

**38.** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017

**39.** The Group has taken borrowings from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements of current assets filed with banks or financial institutions for the quarter ended June 30th, 2021 and September 30th, 2021 are in agreement with the books of accounts. For the quarter ended December 31st, 2021 and March 31st, 2022, pursuant to initiation of CIRP (Refer Note No. 1(a)) quarterly returns or statements has not been filed regularly with banks or financial institutions. Current assets for this purpose includes loans and other receivables which are expected to be realised within twelve months after the reporting date.

## 40. Utilisation of Borrowed funds and share premium:

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 41. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31st 2022 & March 31st 2021.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 42. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, in view of deteriorating asset quality and substantial increment in the provisions held and liquidity problems faced by the Company, the net worth of the Company has been fully eroded. The Company is presently under CIRP with effect from October 8, 2021 and continue to operate as a going concern. In view of present situation, any improvement in the capital structure is envisaged through a successful implementation of the Resolution plan.

## 43. Regulatory Capital (Capital Adequacy Ratio)

(₹ in Lacs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Tier I capital	(5,353)	12,519
Tier II capital	30,881	6,259
<b>Total capital*</b>	<b>(5,353)</b>	<b>18,778</b>
Risk Weighted Assets	68,452	72,701
Tier I Ratio (%)	-7.82%	17.22%
Tier II Ratio (%)	-	8.61%

\* If Tier II capital exceeds Tier I capital, amount exceeding Tier I capital is not considered for Total capital funds & if Tier I capital is negative, Tier II capital is ignored. Further, as at March 31st, 2022 subordinated debts have not been considered in Tier II capital as Tier I capital is negative.

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, perpetual debt instrument, retained earnings including current year profit/(loss), statutory reserves and other free reserves less deferred revenue expenditure and intangible assets. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds.

## 44. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Group and provides additional information on consolidated balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.20 to the financial statements.

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b>a) Measured at Amortised Cost</b>				
i) Cash and Cash Equivalents	129,078	129,078	43,511	43,511
ii) Bank Balance other than (i) above	18,681	18,681	100,818	100,818
iii) Trade Receivables	5,835	5,835	4,346	4,346
iv) Other Receivables	-	-	-	-
v) Loans	1,975,418	2,012,472	2,056,459	2,146,239
vi) Investments	7,510	7,510	-	-
vii) Other Financial Assets	8,855	8,855	26,626	26,626
<b>Sub-total</b>	<b>2,145,377</b>	<b>2,182,431</b>	<b>2,231,760</b>	<b>2,321,540</b>
<b>b) Measured at Fair value through Profit or Loss</b>				
i) Derivative Financial Instruments	-	-	936	936
ii) Loans	39,187	39,187	51,920	51,920
iii) Investments	117,537	117,537	103,295	103,295
iv) Other financial assets	72,542	72,542	65,897	65,897
<b>Sub-total</b>	<b>229,266</b>	<b>229,266</b>	<b>222,048</b>	<b>222,048</b>
<b>c) Measured at Fair value through Other Comprehensive Income</b>				
i) Investments	67,015	67,015	60,955	60,955
ii) Loans	16,462	16,462	46,482	46,482
<b>Sub-total</b>	<b>83,477</b>	<b>83,477</b>	<b>107,437</b>	<b>107,437</b>
d) Measured at Cost				
i) Investment in Subsidiaries & Associates	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Financial Assets</b>	<b>2,458,120</b>	<b>2,495,174</b>	<b>2,561,245</b>	<b>2,651,025</b>
<b>Financial Liabilities</b>				
<b>a) Measured at Amortised Cost</b>				
i) Trade Payables	7,579	7,579	9,262	9,262
ii) Debt Securities	259,552	262,624	244,148	262,624
iii) Borrowings (Other than Debt Securities)	2,676,864	2,676,992	2,647,553	2,646,249
iv) Subordinated Liabilities	294,582	294,583	278,531	279,202
v) Lease Liabilities	830	830	3,136	3,136
vi) Other Financial Liabilities	20,150	20,150	24,287	24,287
<b>Sub-total</b>	<b>3,259,557</b>	<b>3,262,758</b>	<b>3,206,917</b>	<b>3,224,760</b>
<b>b) Measured at Fair Value through Profit or Loss</b>				
i) Derivative Financial Instruments	-	-	1,151	1,151
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>1,151</b>	<b>1,151</b>
<b>Total Financial Liabilities</b>	<b>3,259,557</b>	<b>3,262,758</b>	<b>3,208,068</b>	<b>3,225,911</b>

fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

### Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average lending rate.

### Investments measured at amortised cost

The fair values of Investments at amortised cost (quoted bonds) are estimated using the most recent quoted price available from a recognised stock exchange.

### Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of collateralised borrowings are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at average borrowing rate. For all other Debt Securities, Subordinated Liabilities and Other Borrowings, pursuant to CIRP (Refer Note No. 1(a), 57) the carrying value as at March 31st, 2022 has been considered as fair value .

## Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

## 44. Financial Instruments and Related Disclosures (continued)

### B) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, Loans and Other Financial Assets included in level 3.

(₹ in Lacs)

Particulars	As at 31st March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Derivative Financial Instruments	-	-	-	-
Loans	-	-	55,649	55,649
Investments	21,639	1,484	161,429	184,552
Other Financial Assets	-	-	72,542	72,542
	21,639	1,484	289,620	312,743
<b>Financial Liabilities</b>				
Derivative Financial Instruments	-	-	-	-
	-	-	-	-

(₹ in Lacs)

Particulars	As at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Derivative Financial Instruments	-	936	-	936
Loans	-	-	98,402	98,402
Investments	18,309	623	145,318	164,250
Other Financial Assets	-	-	65,897	65,897
	18,309	1,559	309,617	329,485
<b>Financial Liabilities</b>				
Derivative Financial Instruments	-	1,151	-	1,151
	-	1,151	-	1,151

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

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

(₹ in Lacs)

Particulars	Fair Value As at			Valuation Technique and Key Input	Significant Unobservable Input
	31st March, 2022	31st March, 2021	Fair Value Hierarchy		
<b>Financial Assets</b>					
Derivative Financial Instruments	–	936	Level 2	Note (i)	Not Applicable
Loans	55,649	98,402	Level 3	Note (ii)	Note (vi), (vii) & (ix)
Other Financial Assets	72,542	65,897	Level 3	Note (ii)	Note (x)
Investments	21,639	18,309	Level 1	Note (iii)	Not Applicable
Investments	1,484	623	Level 2	Note (iv) & (v)	Not Applicable
Investments	161,429	145,318	Level 3	Note (ii) & (vi)	Note (vii) & (viii)
<b>Financial Liabilities</b>					
Derivative Financial Instruments	–	1,151	Level 2	Note (i)	Not Applicable

### 44. Financial Instruments and Related Disclosures (continued)

#### (i) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

#### (ii) Income Approach

The discounted cash flow method was used to capture the present value of the the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

#### (iii) Quoted Prices

Quoted bid prices of an active market was used.

#### (iv) Comparable Company Method

Relevant information from companies operating in similar economic environment and industry was used.

#### (v) Price to Revenue/Earnings Multiple Method

Price was derived as a multiple of revenue/earnings.

#### (vi) Other Inputs

(a) Market Multiple Method: Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method: Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method: Value of the underlying net assets of the business.

(vii) Discount rate, determined using average lending rate of the company or discount rate considered by the valuer.

(viii) Estimated future cash flows.

(ix) The fair value of loans is derived based on the valuation of the underlying assets.

(x) Probability of recovery and discount rate considered by the Valuer.

### Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Loans		Investments		Other Financial Assets	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Opening Balance	98,402	194,020	145,318	104,958	65,897	51,015
Purchases/Addition	9,769	34,101	36,341	27,114	–	28,486
Sales/ Repayments/Transfers to amortised cost *	(43,823)	(106,370)	(571)	(11,173)	(1,804)	–
Transfers into Level 3	–	–	–	–	–	–
Transfers from Level 3	–	–	–	9,660	–	–
Net interest income, net trading income and other income	–	–	–	3	–	–
Unrealised income/(loss)	(8,546)	(21,280)	(58,460)	14,826	8,449	(13,604)
Other Comprehensive Income	(152)	(2,069)	38,801	(70)	–	–
<b>Closing Balance</b>	<b>55,650</b>	<b>98,402</b>	<b>161,429</b>	<b>145,318</b>	<b>72,542</b>	<b>65,897</b>

\* includes write off

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

## Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	As at March 31, 2022		As at March 31, 2021	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans at FVTOCI	419	(378)	2,643	(1,291)
Loans at FVTPL	1,657	(1,556)	2,299	(2,135)
Investments	7,846	(7,049)	5,327	(4,234)
Other Financial Assets	1,983	(1,894)	2,902	(2,587)
<b>Total</b>	<b>11,905</b>	<b>(10,877)</b>	<b>13,171</b>	<b>(10,247)</b>

## C) Financial risk management objectives

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. SIFL and SEFL is currently undergoing CIRP [Refer Note No. 1 (a)] under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. Post CIRP, the Company has reconstituted the Risk Management Committee including constitution of its sub committees viz Operational Risk Management Committee of Executives, Credit Risk Management Committee of Executives and the Product & Process Approval Committee. The Asset Liability Management Committee (ALCO) has also been reconstituted. The Financial risk management framework would undergo revision post implementation of the approved resolution plan.

### a) Market risk

The Group's Financial Instruments are exposed to market changes. The Group is exposed to the following significant market risk:

- Foreign Currency Risk
- Interest Rate Risk
- Other Price Risk

#### i. Foreign currency risk

The Group undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Group's functional currency (Indian Rupees).

SIFL and SEFL is currently undergoing CIRP [Refer Note No. 1 (a)] under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. The foreign currency liabilities have been crystallised into INR as on October 8th, 2021 (Insolvency Commencement Date or 'ICD'). Hence, there is no foreign currency risk and consequently foreign currency sensitivity is not applicable as at March 31st, 2022.

## Foreign Currency Exposure

(₹ in Lacs)

As at 31st March, 2022	USD	Euro	Total
Borrowings (Other than Debt Securities)	146,388	80,529	226,917
As at 31st March, 2021	USD	Euro	Total
Borrowings (Other than Debt Securities)	182,308	78,030	260,338

(₹ in Lacs)

Hedged Foreign Currency balances:*	Currency	As at 31st March, 2022	As at 31st March, 2021
Borrowings (Other than Debt Securities)	USD	–	20,088
	EUR	–	25,288

\* The same does not meet hedge documentation criteria as per Ind AS 109. Also Refer Note No. 54(b)

(₹ in Lacs)

Unhedged Foreign Currency balances:**	Currency	As at 31st March, 2022	As at 31st March, 2021
Borrowings (Other than Debt Securities)	USD	146,388	162,220
	EURO	80,529	52,742

\*\* Includes Overdue Principal and Interest. Also Refer Note No. 54(b)

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Foreign currency sensitivity

Impact on increase in 2%			(₹ in Lacs)
Particulars	As at 31st March 2022	As at 31st March 2021	
USD	-	(3,646)	
EUR	-	(1,561)	
Impact on decrease in 2%			(₹ in Lacs)
Particulars	As at 31st March 2022	As at 31st March 2021	
USD	-	3,646	
EUR	-	1,561	

The Group has entered into Spots, Forwards and Currency Swaps to manage its foreign currency risk. Hence, the Group's profit and loss and equity is not exposed to such foreign currency sensitivity.

**Note:** If the rate is decreased by 2%, profit of the group will increase by an equal amount.

## ii. Interest rate risk

The Group is exposed to interest rate risk as the Group borrows foreign currency funds at fixed plus floating interest rate benchmarks. The Group manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of derivative hedging products like interest rate swaps and cross currency interest rate swaps. It is pertinent to note that the Group is absolutely dependent on banks for such hedging limits.

SIFL and SIFL is currently undergoing CIRP [Refer Note No. 1(a)] under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. The borrowings have been crystallised into INR as on October 8th, 2021 (Insolvency Commencement Date or 'ICD'). Hence, there is no interest rate risk and consequently interest rate sensitivity is not applicable as at March 31st, 2022 for the borrowings of the Company.

The group is further exposed to interest rate risk as the group lends funds at floating interest rates.

## Interest Rate Exposure [Financial Instruments at variable interest rates]

As at 31st March, 2022					(₹ in Lacs)
	INR	EUR	USD	Total	
<b>Financial Assets</b>					
Loans	806,434	-	-	806,434	
<b>Financial Liabilities</b>					
Borrowings (Other than Debt Securities)	-	-	-	-	
Subordinated Liabilities	-	-	-	-	
As at 31st March, 2021					
	INR	EUR	USD	Total	
<b>Financial Assets</b>					
Loans	1,225,751	-	-	1,225,751	
<b>Financial Liabilities</b>					
Borrowings (Other than Debt Securities)	2,201,336	182,308	78,030	2,461,674	
Subordinated Liabilities	16,631	-	-	16,631	

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's consolidated statement of profit and loss and equity.

## Interest Rate Sensitivities for outstanding exposure (impact on increase in 2%)

Interest Rate Sensitivities for outstanding exposure (impact on increase in 2%)			(₹ in Lacs)
Particulars	As at 31st March 2022	As at 31st March 2021	
INR	16,129	(19,844)	
USD	-	(3,646)	
EUR	-	(1,561)	

Figures in brackets indicate decrease in profit

In some cases, the Group has entered into cross currency swap and interest rate swaps to manage its interest rate risk. The Group's profit and loss and equity is not exposed to interest rate sensitivity to that extent.

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

**Note:** If the rate is decreased by 2%, profit of the group will increase by an equal amount.

## Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

### iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit and Loss/ fair value through Other Comprehensive Income as at 31st March, 2022 is ₹20,766 Lacs (31st March, 2021: ₹17,435 Lacs)

A 10% change in equity prices of such securities held as at 31st March, 2022 and 31st March, 2021 would result in an impact of ₹2,077 Lacs in 31st March, 2022 (31st March, 2021 ₹1,744 Lacs).

### b) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's ALCO lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

The Company is currently undergoing CIRP [Refer Note No. 1(a)] under the provisions of the Code, accordingly, a moratorium has been declared under section 14 of the Code. The current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the company. The Liquidity risk management framework would undergo revision post implementation of the approved resolution plan.

Particulars	As at 31st March, 2022				As at 31st March, 2021			Total
	On demand	Less than 3 months	3 to 12 months	>12 months	On demand	Less than 3 months	3 to 12 months	
<b>A. Financial Assets</b>								
i) Cash and Cash Equivalents	716	128,362	-	-	1,731	41,780	-	-
ii) Bank Balance other than (i) above	24	5,613	9,183	3,861	30	12,958	62,109	25,721
iii) Derivative Financial Instruments	-	-	-	-	-	936	-	-
iv) Trade & Other Receivables	-	7,861	383	53	-	6,344	68	50
v) (a) Loans	-	111,165	55,870	2,904,601	-	107,773	183,169	2,914,717
v) (b) Liability towards Assignment*	-	(219,023)	(27,792)	(6,995)	-	(148,669)	(160,843)	(117,955)
vi) Investments	-	363	42,488	149,211	-	159	40,338	434,945
vii) Other Financial Assets	-	13,468	11,958	57,581	-	34,355	(11,952)	72,939
<b>Total</b>	<b>740</b>	<b>47,809</b>	<b>92,090</b>	<b>3,108,312</b>	<b>1,761</b>	<b>55,636</b>	<b>112,889</b>	<b>3,330,417</b>
<b>B. Financial Liabilities</b>								
ij) Derivative Financial Instruments	-	-	-	-	-	1,151	-	-
iii) Trade Payables **	-	1,557	563	-	-	4,824	4,438	-
iv) Borrowings ***	-	4,395	6,594	36,324	-	1,669,304	796,532	711,436
v) Lease Liability	-	108	280	506	-	303	856	2,172
vi) Other Financial Liabilities ****	55	15,372	1,752	2,843	30	12,549	2,076	11,107
<b>Total</b>	<b>55</b>	<b>21,432</b>	<b>9,189</b>	<b>39,673</b>	<b>30</b>	<b>1,688,131</b>	<b>803,902</b>	<b>724,715</b>
								<b>3,216,778</b>

\* Amount in first bucket includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation.

\*\* Repayments of Trade Payables admitted as claims pursuant to initiation of CIRP (Refer Note No. 1(a)) are not determinable.

\*\*\* Includes repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to intimation of CIRP (Refer note no 56 and 58).

\*\*\*\* Includes salary provision in excess of 50 Lacs capping is amounting to ₹104 Lacs and Unpaid dividend amounting to ₹24 Lacs are not determinable pursuant to intimation of CIRP (Refer note no 56 and 58).



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

The repayment of Working capital facilities (including WCDL and Cash credit facilities) has been considered based on the renewal date of the respective Working capital facilities as at 31st March 2021. However, working capital facilities for cases where renewal is pending as on March 31st, 2021 amounting to ₹10,36,487 Lacs has been considered in the first bucket i.e. Less than 3 months.

## c) Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

Credit risk is monitored by the credit risk department which is independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. SEFL & SIFL is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code.

The principal business of the Group is to provide financing in the form of loans to its clients primarily to acquire assets and infrastructure lending. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. The Group also provides Leasing services to its clients which result in accrual of Trade Receivables. The Group is exposed to credit risk to the extent of such Trade Receivables. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has credit policies approved by the Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

The Group uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables as per accounting standards. In addition, the Group also assesses impairment on such assets as per RBI guidelines and accounted for in the books as per regulatory guidelines. It maybe noted that credit risk has increased due to the prolonged impact of the COVID 19 pandemic which has impacted the overall economy including the infrastructure sector.

## 45. Transfers of financial assets

### Transfers of financial assets that are not derecognised in their entirety :

(i) The group has also carried out securitisation transactions wherein it has securitised loans. Even though the loan assets have been securitised, the Company still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns are dependent on the realisation from the securitised loan assets, leading to company bearing the risk of non-realisation from the pool.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	₹ in Lacs	
	As at 31st March 2022	As at 31st March 2021
Carrying amount of assets	-	15,515
Carrying amount of associated liabilities	-	10,889
Fair value of assets	-	15,633
Fair value of associated liabilities	-	10,831

## 46 Assets obtained by taking possession of collateral

The Group obtained the following non-financial assets during the year by taking possession of assets held as security against loans or third party security and held at the year end. The Group's policy is to determine whether such asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets acquired in satisfaction of debt at their fair value or carrying value, whichever is lower. The Group's policy is to realise collateral on a timely basis.

The table below outlines the nature and values of assets acquired in satisfaction of debt obtained during the year.

Particulars	₹ in Lacs	
	2021-22	2020-21
Land	-	-
Others	6,403	4,822
<b>Total assets obtained by taking possession of collateral</b>	<b>6,403</b>	<b>4,822</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 47. Disclosure pursuant to Ind AS 19 - Employee Benefits

### Defined contribution plans

The Group has recognised, in Consolidated Statement of Profit and Loss for the year ended 31st March, 2022 an amount of ₹625 Lacs (Previous year ₹786 Lacs) as expenses under defined contribution plans.

### Defined benefit plans

#### (A) Gratuity Fund :

The Group makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the Group. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Group have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Group makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Group's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

### Risk Management

The Defined Benefit Plans expose the Group to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2022.

#### 47.1. Particulars in respect of employee benefits of the Group are as follows :

(₹ in Lacs)

Description	Gratuity		Leave	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Change in the defined benefit obligation</b>				
Present Value of Obligation at the Beginning of the Year	1,393	1,529	571	677
Current Service Cost	154	185	8	87
Interest Cost	78	90	2	41
Settlement (Credit)/cost	-	-	106	-
Acquisitions Cost / credit	-	-	9	-
Actuarial (gain)/loss	54	(46)	134	(138)
Actuarial (gain)/loss - financial assumptions	(29)	-	(2)	-
Benefits paid	(433)	(365)	(740)	(96)
<b>Present Value of Obligation at the end of the Year</b>	<b>1,217</b>	<b>1,393</b>	<b>88</b>	<b>571</b>
<b>Change in plan assets</b>				
Fair value of Plan Assets at the Beginning of the Year	1,034	717	NA	NA
Expected return on Plan Assets	8	5	NA	NA
Interest income on Plan Assets	57	51	NA	NA
Contributions by the Employer	156	607	NA	NA
Return on Plan assets greater/(lesser) than discount rate	(8)	-	NA	NA
Benefits paid	(406)	(346)	NA	NA
<b>Fair value of Plan Assets at the end of the Year</b>	<b>841</b>	<b>1,034</b>	<b>NA</b>	<b>NA</b>

#### Basis used to determine the Expected Rate of Return on Plan Assets

The expected return on plan assets is determined based on government bond rate.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

(₹ in Lacs)

Description	Gratuity		Leave	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Amount recognised in Consolidated Balance Sheet consists of:</b>				
Fair value of Plan Assets at the end of the Year	841	1,034	-	-
Present Value of Obligation at the end of the Year	1,217	1,393	88	571
Net (Asset)/Liabilities recognised in the Consolidated Balance Sheet in respect of defined benefits	376	359	88	571

(₹ in Lacs)

Description	Gratuity		Leave	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Expenses recognised in the consolidated statement of profit and loss consists of:</b>				
<b>Employee benefits expenses:</b>				
Current Service cost	154	185	113	87
Net Interest cost	17	33	2	42
Net Actuarial (gain)/loss	-	-	126	(135)
<b>Total [A]</b>	<b>171</b>	<b>218</b>	<b>241</b>	<b>(6)</b>
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	50	(46)	126	(82)
Actuarial (Gain) / Loss from financial assumptions	(29)	-	(2)	-
Return on plan assets (excluding amounts included in net interest cost)	8	-	-	-
<b>Total [B]</b>	<b>29</b>	<b>(46)</b>	<b>5</b>	<b>(2)</b>
<b>Expense recognised during the year [A+B]</b>	<b>200</b>	<b>172</b>	<b>246</b>	<b>(8)</b>

(₹ in Lacs)

Description	Gratuity		Leave	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Expenses recognised in the consolidated statement of profit and loss consists of:</b>				
<b>Employee benefits expenses:</b>				
Current Service cost	154	185	113	87
Net Interest cost	17	33	2	42
Net Actuarial (gain)/loss	-	-	126	(135)
<b>Total [A]</b>	<b>171</b>	<b>218</b>	<b>241</b>	<b>(6)</b>
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	50	(46)	126	(82)
Actuarial (Gain) / Loss from financial assumptions	(29)	-	(2)	-
Return on plan assets (excluding amounts included in net interest cost)	8	-	-	-
<b>Total [B]</b>	<b>29</b>	<b>(46)</b>	<b>5</b>	<b>(2)</b>
<b>Expense recognised during the year [A+B]</b>	<b>200</b>	<b>172</b>	<b>246</b>	<b>(8)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 47.2. Particulars of Investment Details of Plan Assets are as follows :-

(₹ in Lacs)

Description	Gratuity % Invested		Leave % Invested	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	<b>Investment Details of Plan Assets</b>			
Schemes of insurance- conventional products	100%	100%	Not Applicable	Not Applicable

## 47.3. Principal Assumptions used are as follows:

(₹ in Lacs)

Description	Gratuity % Invested		Leave % Invested	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Discount rate per annum	7.00%	6.70%	7.00%
Salary escalation rate per annum	5.00%	5.00%	5.00%	5.00%

47.4. The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

## 47.5. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Description	As at 31st March, 2022				As at 31st March, 2021			
	Gratuity		Leave		Gratuity		Leave	
	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)
Discount Rate + 100 basis points	-8.9%	(96)	-28.41%	(25)	-8.83%	(123)	-8.93%	(51)
Discount Rate - 100 basis points	8.96%	109	32.95%	29	10.19%	142	11.38%	65
Salary Increase Rate + 1%	7.15%	87	32.95%	29	8.90%	124	11.38%	65
Salary Increase Rate - 1%	-6.74%	(82)	-28.41%	(25)	-8.04%	(112)	-9.98%	(57)

## 47.6. Maturity Analysis of The Benefit Payments

(₹ in Lacs)

Description	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Leave	Gratuity	Leave
	Year 1	79	7	68
Year 2	112	6	90	29
Year 3	66	3	116	39
Year 4	83	4	75	23
Year 5	116	5	94	27
Next 5 Years	880	49	901	315

47.7. Weighted average duration of defined benefit obligations: 7 years (Previous year: 7 years).

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 48. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

### Related Parties:

Holding Company:	Country of Origin
Adisri Commercial Private Limited	India
Subsidiary of Holding Company:	Country of Origin
Srei Factors Private Limited	India
Associates & Related Subsidiaries:	Country of Origin
IIS International Infrastructure Services GmbH, Germany (Officially liquidated w.e.f. 29.07.2020)	Germany
AO International Infrastructure Services, Russia, (Subsidiary of IIS International Infrastructure Services GmbH, Germany) ceased to be related party on liquidation of IIS International Infrastructure Services GmbH, Germany.	Russia
Trusts:	Country of Origin
Srei Mutual Fund Trust	India

### Others :

Srei Infrastructure Finance Limited Employees Gratuity Fund

### Key Management Personnel (KMP):

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
Mr. Shyamalendu Chatterjee *	Independent Director
Mr. Malay Mukherjee *	Independent Director
Dr. Punita Kumar Sinha *	Independent Director
Dr. Tamali Sengupta *	Independent Director
Dr. Deepali Pant Rajeev Joshi ( w.e.f 30.06.2021) *	Additional Director (Category: Independent Director)
Mr. Ram Krishna Agarwal ( ceased w.e.f 17.09.2021)	Independent Director
Mr. Srinivasachari Rajagopal (ceased w.e.f. 30.06.2021)	Independent Director
Mr. Rakesh Kumar Bhutoria (cease w.e.f 15.09.2021)	Chief Executive Officer
Mr. Sandeep Lakhota (ceased w.e.f. 20.03.2021)	Company Secretary
Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. 07.12.2021)	Chief Financial Officer
Mr. Shashi Bhushan Tiwari (from 20.05.2019 to 30.06.2020)	Chief Risk Officer
Mr. Rajneesh Sharma ( w.e.f 04-10-2021) **	Administrator
Mr. Souren Mokhopadhyay (w.e.f 30.06.2021)	Deputy Chief Executive Officer
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Company Secretary & Chief Financial Officer
Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Chief Compliance Officer & Financial Controller

\*Refer Note No. 1(a)

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the year ended	Balance As at	For the year ended	Balance As at
		31st March, 2022	31st March, 2021	31st March, 2021	31st March, 2021
<b>(A) Holding Company :</b>					
Adisri Commerical Private Limited	Dividend Paid	-	-	-	-
<b>(B) Remuneration to Key Management Personnel (KMP):</b>					
Mr. Hemant Kanoria	Remuneration	2	54	286	54
Mr. Sandeep Lakhoria (ceased w.e.f. close of business hours of 20.03.2021)	Remuneration	-	12 #	76	12 #
Mr. Rakesh Bhutoria (ceased w.e.f. close of business hours of 15.09.2021)	Remuneration	107	70 #	264	70 #
Mr. Souren Mukhopadhyay (w.e.f. 30.06.2021)	Remuneration	49	-	-	-
Mr. Sandeep Kumar Sultania (ceased w.e.f. close of business hours of 31.12.2021)	Remuneration	54	7 #	63	7 #
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Remuneration	39	-	-	-
Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Remuneration	1	-	-	-
Mr. Shashi Bhushan Tiwari (from 20.05.2019 to 30.06.2020)	Consultancy	-	-	9	-
Mr. Sunil Kanoria	Remuneration	2	18	-	-
	Sitting Fees	7	-	11	-
Mr. Malay Mukherjee	Sitting Fees	39	3	18	-
Mr. S. Rajagopal (ceased w.e.f. 30.06.2021 from the close of business hours)	Sitting Fees	8	-	12	-
Dr. Deepali Pant Rajeev Joshi (w.e.f. 30.06.2021)	Sitting Fees	3	-	-	-
Mr. Shyamalendu Chatterjee	Sitting Fees	28	1	24	*
Dr. Punita Kumar Sinha	Sitting Fees	9	-	11	-
Mr. Ram Krishna Agarwal (ceased w.e.f. 17.09.2021)	Sitting Fees	9	1	12	-
Dr. Tamali Sengupta	Sitting Fees	30	2	18	-
Mr. Rajneesh Sharma	Consultancy	53	-	-	-
Mrs. Mahua Mukherjee, relative of KMP (w.e.f. 30.06.2022)	Car Hire Charges	5	-	-	-
Mrs. Sangeeta Agarwal, relative of KMP (w.e.f. 21.03.2022)	Car Hire Charges	**	-	-	-

# Balance as at 31st March, 2021 and 31st March, 2022 is due to the restrictions imposed by the Lenders wherein the salary of employee was capped to ₹50 Lacs p.a. during the period November, 2020 to March, 2021. The Company has made provision of arrear salary of those employees as the same is payable as per the contractual obligations. The Company is pursuing with the lenders for approval of the payment. Note: Figures pertaining to the previous period have been rearranged/ regrouped, wherever considered necessary, to make them comparable with those of the current period.

\* ₹ 50,000/-

\*\* ₹ 16,129/-

Note 1. Settlement of outstanding balances as at year end generally occurs in cash.

Note 2. Income or expenses are presented excluding GST.

## (C) Compensation to KMPs:

(₹ in Lacs)

Particulars	2021-22	2020-21
Short-term benefit	1,072	1,138
Other long-term employee benefit	28	78
Post-employment benefit	33	59

## 49. Leases

### a. In the capacity of Lessee

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
  - The Group has certain cancellable operating lease arrangements for office premises, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals.
  - The Company had no non-cancellable operating lease arrangements for office premises during current and previous year.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

(iii) Disclosure in accordance to Ind AS 116 is as below:

		(₹ in Lacs)	
No.	Particulars	21-22	20-21
a	Short term lease payment	172	1,846
b	Expense relating to leases of low-value assets	-	-
c	Variance lease payments not included in the measurement of lease liability	-	-
d	Income from subleasing right of use assets	87	844
e	Total Cash outflow for leases	1,369	3,139
f	Interest expense on Lease liability	277	447

g The future lease payments considered for lease liability on an undiscounted basis are as follows:

		(₹ in Lacs)	
Particulars		As at 31st March, 2022	
Less than one year		388	
One to five years		506	
More than five years		-	
<b>Total</b>		<b>894</b>	

h Details of right of use assets and its movement is as below: \*

					(₹ in Lacs)	
Particulars	As at 1st April, 2021	Additions	Adjustment		As at 31st March, 2022	
<b>Office Premises:</b>						
Right of use Assets	4,881	817	3,418		2,280	
Accumulated Depreciation/ Amortisation	2,037	886	1,356		1,567	
<b>Net Carrying amount</b>	<b>2,844</b>				<b>713</b>	

					(₹ in Lacs)	
Particulars	As at 1st April, 2020	Additions	Adjustment		As at 31st March, 2021	
<b>Office Premises:</b>						
Right of use Assets	4,471	1,009	599		4,881	
Accumulated Depreciation/ Amortisation	1,100	1,021	84		2,037	
<b>Net Carrying amount</b>	<b>3,371</b>	<b>(12)</b>	<b>515</b>		<b>2,844</b>	

## b. In the capacity of Lessor

(i) The Group has given assets on Operating lease for periods ranging between 1 to 15 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the Statement of Profit and Loss for the year ended March 31st, 2022 is amounting to ₹ 566 Lacs (As at March 31st, 2021 : ₹ 253 Lacs)

(ii) The Group also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms.

(iii) Details of rental income towards operating lease for assets and office premises including sublease are as follows:

		(₹ in Lacs)	
Particulars		21-22	20-21
Rental Income on the basis of earnings of the Lessee		-	-
Others		44,421	46,620
<b>Total Rental Income</b>		<b>44,421</b>	<b>46,620</b>

(iv) Details of fixed future lease receivable towards operating lease for assets and office premises are as follows:

		(₹ in Lacs)	
Particulars		As at 31st March, 2022	As at 31st March, 2021
Not later than one year		52,776	86,412
Later than one year but not later than five years		15,176	49,503
Later than five years		897	1,200
<b>Total</b>		<b>68,849</b>	<b>137,115</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 50. Maturity analysis of assets and liabilities

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. The Maturity analysis of assets and liabilities have been worked out based on certain assumption and principals as given in the note below.

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	129,078	-	129,078	43,511	-	43,511
Bank Balance other than above	14,820	3,861	18,681	75,147	25,671	100,818
Derivative Financial Instruments	-	-	-	936	-	936
Trade Receivables	5,835	-	5,835	4,345	1	4,346
Loans	131,955	2,152,922	2,284,877	255,299	2,327,029	2,582,328
Liability towards Assignment *	(246,815)	(6,995)	(253,810)	(309,512)	(117,955)	(427,467)
Investments	42,851	149,211	192,062	40,498	123,752	164,250
Other Financial Assets	23,816	57,581	81,397	20,675	71,848	92,523
Current Tax Assets (Net)	120	19,079	19,199	213	18,477	18,690
Deferred Tax Assets (Net)	-	-	-	29	303	332
Investment Property	-	1,692	1,692	-	1,729	1,729
Property, Plant and Equipment	-	192,843	192,843	3	265,291	265,294
Rights of Use - Assets	48	665	713	81	2,763	2,844
Other Intangible Assets	-	841	841	-	1,177	1,177
Other Non-Financial Assets	37,948	1,080	39,028	46,902	1,462	48,364

(₹ in Lacs)

\* For the current year, amount within 12 months includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation.

Liabilities	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	-	-	-	1,151	-	1,151
Trade Payables **	2,120	-	7,579	9,262	-	9,262
Debt Securities ***	-	-	259,552	122,853	121,295	244,148
Borrowings (Other than Debt Securities) ***	10,803	3,190	2,676,864	2,281,941	365,612	2,647,553
Subordinated Liabilities ***	-	33,000	294,582	60,986	217,545	278,531
Lease Liabilities	71	759	830	745	2,391	3,136
Other Financial Liabilities	17,179	2,843	20,150	14,448	9,839	24,287
Deferred Tax Liabilities (Net)	-	8,266	8,266	-	-	-
Provisions	92	15,744	15,836	203	1,380	1,583
Other Non-Financial Liabilities	2,789	1,742	4,531	5,323	3,199	8,522

(₹ in Lacs)

\*\* Repayments of Trade Payables admitted as claims pursuant to initiation of CIRP ( Refer Note No. 1a) are not determinable.

\*\*\* For the current year, repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 1(a), 57 and 58).

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 51. Segment Reporting

The Chief Operating Decision-Maker (CODM) assess the financial performance and position of and makes strategic decisions. Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of services offered.

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2022 and in respect of assets/ liabilities as at 31st March, 2022 – denoted as “CY” below, previous year denoted as “PY”) as required by Ind AS - 108, “Operating Segments” are as under:

Particulars	(₹ in Lacs)					
	Financial Services		Others		Total	
	CY	PY	CY	PY	CY	PY
Gross Segment Revenue	309,606	343,329	159	316	309,765	343,645
Less: Inter Segment Revenue	132	251	156	312	288	563
Net Segment Revenue	309,474	343,078	3	4	309,477	343,082
Interest Income	254,591	285,314	3	4	254,594	285,318
Segment Result before Interest & Finance Charges	(30,398)	(384,361)	(64)	(75)	(30,462)	(384,436)
Interest & Finance Charges	216,916	333,445	2	–	216,918	333,445
Tax Expenses					7,095	15,958
Share of Profit/ (Loss) of Associates						
Profit After Tax					(254,475)	(733,839)
Segment Assets	2,700,208	2,879,359	1,953	1,947	2,702,161	2,881,306
Unallocable Assets					10,958	19,052
Total Assets	2,700,208	2,879,359	1,953	1,947	2,713,119	2,900,358
Segment Liabilities	3,288,147	3,218,123	19	20	3,288,166	3,218,143
Unallocable Liabilities	24	30				
Total Liabilities	3,288,147	3,218,123	19	20	3,288,190	3,218,173
Capital Expenditures	6	1,420	–		6	1,420
Depreciation, Amortisation and Impairment	56,945	73,411	45	45	56,990	73,456
Other Non-Cash Expenditure	201,511	551,303	–	9	201,511	551,312

**Note:** Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate is Nil (Previous year: ₹Nil). It has been accounted for as per Ind AS 110, “Consolidated Financial Statements”.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 52. Additional Information as per Schedule III of The Companies Act, 2013

(₹ in Lacs)

Sl. No.	Name of the entity	2021-22									
		As at 31st March, 2022		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income			
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount	Amount	
<b>Parent</b>											
1	Srei Infrastructure Finance Limited	-5.45%	31,258	-8.66%	22,035	1171.46%	(32,707)	4.14%		(10,672)	
<b>Subsidiaries</b>											
<b>Indian:</b>											
1	Srei Capital Markets Limited	-0.06%	373	0.02%	(55)	8.67%	(242)	0.12%		(297)	
2	Srei Equipment Finance Limited	112.21%	(645,234)	109.08%	(277,572)	8.49%	(237)	107.98%		(277,809)	
3	Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	-3.48%	19,998	-0.20%	510	-1088.83%	30,400	-12.01%		30,910	
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	-0.01%	42	0.00%	(6)	0.00%	-	0.00%		(6)	
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.00%	7	0.00%	0	0.00%	-	0.00%		0	
6	Bengal Srei Infrastructure Development Limited	-0.01%	61	0.00%	2	0.00%	-	0.00%		2	
7	Controlla Electrotech Private Limited	-0.32%	1,826	0.03%	(65)	0.00%	-	0.03%		(65)	
8	Srei Mutual Fund Asset Management Private Limited	-0.01%	37	0.00%	2	0.00%	-	0.00%		2	
9	Srei Mutual Fund Trust Private Limited	0.00%	7	0.00%	(3)	0.00%	-	0.00%		(3)	
10	Srei Insurance Broking Private Limited	-0.24%	1,404	-0.26%	673	0.21%	(6)	-0.26%		667	
11	Srei Mutual Fund Trust	0.00%	-	0.00%	-	0.00%	-	0.00%		-	
12	Srei Finance Limited (Formerly Srei Asset Finance Limited)	-0.02%	103	0.00%	4	0.00%	-	0.00%		4	
Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate		0.00%	-	0.00%	-	0.00%	-	0.00%		-	
<b>Non-controlling interests in all subsidiaries</b>		<b>-2.61%</b>	<b>15,037</b>	<b>-0.02%</b>	<b>56</b>	<b>-533.52%</b>	<b>14,896</b>	<b>-5.81%</b>		<b>14,952</b>	
<b>Total</b>		<b>100.00%</b>	<b>(575,082)</b>	<b>100.00%</b>	<b>(254,475)</b>	<b>100.00%</b>	<b>(2,792)</b>	<b>100.00%</b>		<b>(257,267)</b>	

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

## 52. Additional Information as per Schedule III of The Companies Act, 2013

(₹ in Lacs)

Sl. No.	Name of the entity	As at 31st March, 2021		2020-21		2021-22	
		Net Assets, i.e. total assets minus total liabilities	Share in profit or loss (Profit after tax)	Other Comprehensive Income	Total Comprehensive Income	As % of Total Comprehensive Income	Amount
		As % of consolidated net assets	As % of Consolidated Profit or Loss	As % of Other Comprehensive Income	As % of Total Comprehensive Income	Amount	Amount
<b>Parent</b>							
1	Srei Infrastructure Finance Limited	-14.47%	2.54%	101.12%	0.66%	13,927	(4,731)
<b>Subsidiaries</b>							
<b>Indian:</b>							
1	Srei Capital Markets Limited	-0.21%	0.004%	-0.17%	0.01%	(24)	(50)
2	Srei Equipment Finance Limited	116.88%	97.437%	-0.73%	99.32%	(101)	(715,132)
3	Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	-1.27%	0.025%	-0.23%	0.03%	(32)	(212)
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	-0.02%	0.001%	0.00%	0.00%	-	(7)
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.00%	0.000%	0.00%	0.00%	-	-
6	Bengal Srei Infrastructure Development Limited	-0.02%	0.005%	0.00%	0.00%	(34)	(34)
7	Controlia Electrotech Private Limited	-0.58%	0.009%	0.00%	0.01%	(67)	(67)
8	Srei Mutual Fund Asset Management Private Limited	-0.01%	0.004%	0.00%	0.00%	(32)	(32)
9	Srei Mutual Fund Trust Private Limited	0.00%	0.001%	0.00%	0.00%	(7)	(7)
10	Srei Insurance Broking Private Limited	-0.24%	-0.027%	0.01%	-0.03%	1	202
11	Srei Mutual Fund Trust	0.00%	-	-	-	0.00%	-
12	Srei Finance Limited (Formerly Srei Asset Finance Limited)	-0.03%	0.000%	0.00%	0.00%	2	2
Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate							
<b>Non-controlling interests in all subsidiaries</b>		<b>-0.03%</b>	<b>-0.010%</b>	<b>0.00%</b>	<b>-0.01%</b>	<b>81</b>	<b>81</b>
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>13,771</b>	<b>(720,068)</b>

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

**53.** Information as required by Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure – I attached herewith. These disclosures are prepared under Ind AS issued by MCA.

## **54. Impact of Covid-19 pandemic**

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

### **(a) Moratorium granted to borrowers pursuant to RBI guidelines**

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 severely impacted and which also adversely affected the cash flows of SEFL.

### **(b) Loan loss provisioning**

Based on the annual review of ECL model carried out during the year and also the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty, SEFL has made ECL provision aggregating to ₹1,75,003 Lacs year ended March 31, 2022. In view of the uncertainty, as stated in Note No. 54(a) above, SEFL has made further provision of ₹10,329 Lacs as management overlay in the quarter and year ended March 2022, which is over and above the provision as required by the ECL model of SEFL. 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 ₹Nil and ₹1,22,999 Lacs year ended March 31, 2022 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 SEFL, in respect of borrowers/lessees where the above provisions have been made, based on the recent realization efforts being made, SEFL is hopeful of recovery against such borrowers/lessees and also has assets/collaterals as applicable held as securities. As a part of the ongoing CIRP process the Administrator has appointed two (2) independent valuers to conduct the valuation of the assets of SIFL & SEFL and assets/collateral held as securities as required under the provisions of the Code. Accordingly, the financial results, disclosures, categorization and classification of assets are subject to the outcome of such valuation process.

**(c)** Considering the significant impact of COVID-19 on business activity, SIFL had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, the Company has not accrued interest of ₹3300 lakh for the year ended March 31, 2022. While economic activities are returning to normalcy, the extent to which the effect of remedial measures taken during pandemic may further unfold in foreseeable future and also the extent to which any new wave of Covid-19 may further impact the operations, financial results of the Company and asset quality, is still unascertainable at this point of time.

## **55. Business Transfer Agreement**

During the year 2019-20, SIFL and SEFL entered into a Business Transfer Agreement ('BTA') to transfer the Lending Business, Interest Earning Business and Lease Business of the Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL pursuant to the BTA, subject to all necessary approvals. Accordingly, the Company and SEFL passed the relevant accounting entries in their respective books of account to reflect the slump exchange w.e.f. 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, SEFL had filed two (2) separate applications under Sec. 230 of the Companies Act, 2013 ('the Act') before the Hon'ble NCLT, Kolkata vide application no. (CA 1106/KB/2020 and CA 1492/KB/2020) proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). BTA, constituted an integral part of the Schemes.

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

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

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



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

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 October 21, 2020 and December 30, 2020 respectively. Further, certain appeals were filed before Hon'ble NCLAT by rating agencies in the matter relating to the second scheme of arrangement (i.e. CA 1492/KB/2020).

An application of withdrawal was filed by the Administrator in this matter in Hon'ble NCLAT which has been allowed by NCLAT by an order dated February 11, 2022. As stated in Note-56 below, The Administrator is in the process of filing consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes as stated above. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained.

In accordance with the obligations imposed on the Administrator under Section 18(f) of the Code, the Administrator has taken custody and control of 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 year ended March 31, 2022 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 cannot alienate any of the assets appearing on the insolvency commencement date and this fact has also been informed by the Administrator to the stakeholders.

**56. Consolidated Resolution under CIRP** In view of the impracticability for preparing the resolution plan on individual basis in the case of SIFL and SEFL, the Administrator, after adopting proper procedure, has filed applications before the Hon'ble NCLT in the insolvency resolution process of SIFL and SEFL (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021) seeking the following prayers:

- Directing the consolidation of the corporate insolvency resolution processes of SIFL and SEFL
- Directing formation of a consolidated 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 audit of transactions in relation to Section 43, Section 45, Section 50 and Section 66 of the Code, issuance of single request for submission of resolution plans by the Administrator and the submission and consideration of single resolution plan, for the consolidated resolution of SEFL and SIFL in terms of the provisions of the Code; and
- Directing and permitting the submission and approval of one consolidated resolution plan for the resolution of SEFL and SIFL in terms of the provisions of the Code. The application in this matter was admitted and the final order received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL.
- Further, the Administrator has received Expression of Interest from various prospective Resolution Applicants and the Administrator has finalized the list of the prospective Resolution Applicants who are in the process of submitting the resolution plan in terms of the Code.

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

CIRP has been initiated against SIFL and SEFL, as stated in Note No. 1(a) and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on 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 SIFL and SEFL. The claims as on October 8, 2021 so received by the Administrator till May 4, 2022 is in the process of being verified and updated from time to time and wherever, the claims are admitted, the effect of the same has been given in the books of accounts.

In respect of claims of creditors, which are under verification, the effect of the same in the books of account will be taken once the verification of the same is completed and 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.

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 March 31, 2022, as per the requirements of Ind AS 21 'The effects of changes in foreign exchange rates'.

## **58. Non- Provisioning of Interest under CIRP**

Pursuant to the admission under the CIRP, SEFL has not provided for interest amount of ₹1,99,970 Lacs approx. for the year ended March 31st, 2022 respectively, on Borrowings since insolvency commencement date i.e. October 8th, 2021 in respect of 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 has been accrued and payable after this date. Had the interest being accrued on borrowings, it would have resulted in a consolidated loss before tax of ₹73,017 Lacs and ₹4,47,380 Lacs for the quarter and year ended March 31, 2022 respectively.

## **59. Unhedged Foreign Currency Exposure / Trust and Retention Account**

As per the requirements of RBI notification RBI/FED/2018-19/67 FED Master Direction No.5/2018-19 dated March 26, 2019 entities raising External Commercial Borrowings ('ECB') are required to mandatorily hedge 70 per cent of their ECB exposure in case the average maturity of ECB is less than 5 years, which SEFL complied on an ongoing basis till the nine months ended December 31, 2020. Thereafter, SEFL was not able to meet the requirements of the aforesaid notification due to procedural issues. SEFL was not able to make payment of the hedging premium/cost to the concerned banks for keeping the ECB exposures hedged, as aforesaid. Therefore, the concerned banks unwound the currency risk hedges, which resulted in ECB exposures amounting to ₹27,272 Lacs as per contractual terms being not hedged, in terms of the aforesaid notification, as on March 31, 2022 SEFL has reported

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

the above fact to RBI and reply from the same is awaited.

## 60. Fair value loss on units of Infra Construction Fund

The Company is holding 18,80,333 units in Infra Construction Fund, managed by Trinity Alternative Investments Managers Limited (TAIML). TAIML is a 51% subsidiary of the Company. For the purpose of NAV of such units, TAIML, acting as fund manager has forwarded us the valuation report as on 31st March 2022, valuing such units at ₹NIL. As on 31st December 2021, TAIML has reported value of these units as ₹53,065 Lacs under the same circumstances which continue as on 31st March 2022. The Company however does not accept the basis of such valuation as on 31st March 2022 and is currently enquiring reasons based on which such valuation of units has been arrived at. The Company, only for the purpose of compliance has given effect to the said valuation and such value of investment in Company's books is subject to outcome of enquiry and explanations being sought from TAIML

## 61. Going Concern

The Group had reported net losses during the year ended March 31, 2022 and earlier year as well. Hence, the net worth has fully eroded.

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

- a) The Code requires the Administrator to, among other things, run SIFL and SEFL as a going concern during CIRP.
- b) The Administrator, in consultation with the Committee of Creditors ('CoC') of SIFL and SEFL, in accordance with the provisions of the IBC, is making all endeavors to run SIFL and SEFL as a going concern. Considering the future business outlook and with time bound recovery of its due from customers and monetization of assets / securities, SIFL and SEFL are hopeful of improvement in its cash flows in due course of time.
- c) Reduction in overhead expenditure.
- d) Dedicated focused collection team to increase the collection and is also exploring all possibilities to start new business with the launch of various schemes.

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

## 62. Probable Connected / Related Companies

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, SIFL and SEFL have been advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to SIFL or to SEFL and also whether these are on arm's length basis.

It has been brought to the Administrator's notice that the erstwhile management of SIFL and SEFL had taken legal view to determine whether such borrowers are related parties to the SIFL and SEFL. Based on the legal view, the erstwhile management was advised and had therefore come to the conclusion that the SIFL or to SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013, Ind AS) over such borrowers and are not under common control and accordingly, are not a related party of SIFL or to SEFL. The erstwhile management had also obtained an assessment report on the review & verification of the transactions with the aforesaid probable connected/related companies from an independent Chartered Accountant firm, which states that the transactions of SIFL or to SEFL with probable connected parties were done at arm's length principles and are in the ordinary course of business and that such parties are not related parties of the SIFL or to SEFL under the Companies Act, 2013 or Ind AS 24.

Further, in view of the RBI directions, in line with arm's length principles, the erstwhile management was in the process of re-assessing & re-negotiating terms and conditions with the aforesaid borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project while ensuring that the overall yield is maintained. However, the same was not concluded and meanwhile SIFL and SEFL have gone into CIRP. The total exposure (net of impairment) towards such borrowers in SEFL is ₹7,08,800 Lacs and ₹8,57,565 Lacs as on March 31, 2022 and as on March 31, 2021 respectively.

However, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the findings of the directions since these pertain to the period prior to the Administrator's appointment. As a part of the CIRP, the Administrator has initiated transaction audits/reviews relating to the process and compliances 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 audits/reviews.

**63.** Based on the directions of RBI, during year ended March 31, 2022 SEFL has made provision amounting to ₹9807 Lacs and ₹4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. These amounts which have been provided for were appearing under 'Contingent Liabilities' earlier. Since, the provision, as aforesaid, has been done on the directions of RBI, 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'.

**64.** In the previous year 2020-21, the Group was having shortfall payment to INR 5,76,00 Lacs in relation to the Corporate Social Responsibility ('CSR') which were unspent. These unspent amounts as per the requirements of Section 135 of the Act were to be transferred to funds specified under Schedule VII to the Act within a period of 6 months. However, the domestic lenders of SIFL and SEFL had stipulated TRA mechanism effective November 24, 2020, pursuant to which all the payments being made by SIFL and SEFL 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. SIFL and SEFL has written letter to the Ministry of

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

Corporate Affairs ('MCA') seeking exemptions from the obligations of SIFL and SEFL under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited.

**65.** Pursuant to RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", SIFL and SEFL has taken necessary steps to comply with norms/changes as they become applicable.

Thereafter, vide circular dated February 15, 2022, RBI deferred the applicability of para 10 of the circular dated November 12, 2021, till September 30, 2022 pertaining to implementing the provisions for upgradation of NPA assets as 'standard' asset only if entire arrears of interest and principal are paid by the borrower and accordingly advances amounting to ₹6,703 Lacs has been upgraded during the quarter ended March 31, 2022 which was downgraded during quarter ended December 31, 2021 as aforesaid by SEFL.

**66.** As per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the secured redeemable non-convertible debentures as on March 31, 2022 are secured by first pari-passu charge by mortgage of immovable property at West Bengal and Tamil Nadu and exclusive and/or specific charge on the specific & identified receivables of SEFL. Assets cover available as on March 31, 2022, net of provisions as per Ind AS norms excluding provisions made under IRACP is 77.75% of the principal amount of its secured redeemable non-convertible debentures. 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. 54(b) 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.

**67.** As stated in Note No. 55, the Company had acquired borrowings (including secured borrowings and NCDs) from SIFL and charges created with ROC in relation to such borrowings were to be transferred in the name of the Company. In relation to the above, cases where the novation agreements are signed by the lenders / trustees pursuant to Slump Exchange Transaction between SIFL to SEFL, necessary e-forms w.r.t. charges have been filed by SEFL with the Registrar of Companies, Kolkata (ROC) except for one ISIN whereby principal outstanding is ₹70 Lacs only. However, charges filed by SEFL w.r.t. such listed NCDs are yet to be approved by the ROC and thus the charges are appearing in the name of SIFL.

For cases of secured borrowings, other than the secured listed NCDs, as stated above, the relevant novation agreements are yet to be signed by all the banks / financial institutions. Hence, the charges which were originally created in the name of SIFL for such secured borrowings are still continuing so in the records of ROC while the respective borrowings are reflected in the books of SEFL.

Further, with respect to certain borrowings where, though borrowed facilities have been repaid in full, charge satisfactions are still pending. These pendencies are mainly on account of non-receipt of NOC from lenders etc. / completion of satisfaction formalities.

**68.** As per section 125 of the Companies Act, 2013 a Company is required to transfer certain amount lying unpaid, for 7 years, to Investor Education Protection Fund ("IEPF"). Prior to the date of commencement of CIRP i.e. October 8, 2021 (CIRP commencement date) an amount of ₹18,574/- and post commencement of CIRP an amount of ₹31,633/- was transferable by SEFL to IEPF in terms of section 125 of the Companies Act, 2013 pertaining to the interest on application money due for refund of 2014-15 of SEFL. The Company was unable to comply with the provision of Section 125 of the Companies Act, 2013, as its compliance will accord to breach of the moratorium in terms of section 14 of the IBC. To the extent that the provision of the Companies Act is inconsistent with section 14 of the IBC, the provisions of the IBC will prevail, in light of section 238 of the IBC. However, the Company has written to IEPF authorities and requested guidance in this regard / submission of their claim and await their response.

**69.** During the year ended March 31, 2022, SIFL on behalf of SEFL has invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL'), which were pledged as security against the loan availed by one of the borrowers of SEFL. As at March 31, 2022, these shares appear in the demat statement of SIFL, whereas the borrower was transferred to SEFL pursuant to BTA, as stated in Note No. 55 above. SEFL is in the process of getting these shares transferred in its name. Till such name transfer, SIFL is holding these shares in trust for SEFL for disposal in due course. SEFL has no intention to exercise any control/significant influence over STPL in terms of Ind AS 110/Ind AS 28. SEFL has taken an expert opinion, which confirms that since SEFL is not exercising any significant influence/control over STPL, hence, STPL is not a subsidiary/associate in terms of Ind AS 110/Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.

**70.** The Financial results of the three (3) subsidiaries (Trinity Alternative Investment Managers Limited, Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited) are included in the consolidated financial results reflecting Total revenue of ₹1,446.78 lac, Total net PAT of ₹115.70 lac, Total comprehension income of ₹30,399 lac, Total asset ₹44,105 and Total Liabilities ₹44,105 for the year ended March 31, 2022. The management of these subsidiaries has not provided audited financial statements of these the aforesaid companies despite repeated reminders and accordingly, the financial statements of these subsidiaries have been considered for consolidation based on the approved and certified financial statements provided by the management of the respective companies.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022 (Contd.)

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

(₹ in Lacs)	
No. of accounts restructured	Amount outstanding As at March 31, 2022
130	1,285

72. Disclosures as required by RBI circular dated August 6th, 2020 'Resolution Framework for Covid-19 - related Stress' (RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21) are as below for the period ended March 31st, 2022

(₹ in Lacs)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	7,930	-	-	354	8,073
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>7,930</b>	<b>-</b>	<b>-</b>	<b>354</b>	<b>8,073</b>

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

73. Based on the information available in the public domain, few lenders have declared the bank account of the Company as fraud. However, in case of one of the lender, on the basis of petition filed by the promoters, Hon'ble High Court of Delhi has restrained the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the petitioner's bank account as fraud. The next hearing in the matter has been listed August 23, 2022.

74. The Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated investigation into the affairs of SIFL and SEFL under Section 206(5) of the Act and it is under progress.

75. In accordance to Ind AS 108 - "Operating Segments", the required disclosure is done in the Consolidated Financial Statement of the Company.

76. List of Creditors (including Financial, Operational, Workmen & Employees and Other Creditors) and Security Interest, as approved by RP, disclosed on Company Website for all claims received till 28th February, 2022 pursuant to public announcement made on 8th October, 2021 in accordance with section 13 and 15 of Insolvency and Bankruptcy Code, 2016 read with Regulation 6 of CIRP Regulations.

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

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

**Manoj K Roongta**  
Partner  
Membership No. 057761  
Place : Kolkata  
Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

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

Email ID for Correspondence - sreadministrator@srei.com

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

**Rajneesh Sharma**  
Administrator Appointed Under IBC

# Form Aoc-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures under section 129(3) read with rule 5 of the Companies (Accounts) Rules, 2014

## Part "A" : Subsidiaries

(₹ In Lacs)

Names of Companies	Srei Capital Markets Ltd.		Trinity Alternative Investment Managers Ltd. <sup>3</sup>		Bengal Srei Infrastructure Development Ltd.		Controlla Electrotech Pvt. Ltd.		Srei Mutual Fund Asset Management		Srei Mutual Fund Trust Pvt. Ltd.		Srei Insurance Broking Pvt. Ltd.		Hyderabad Information Technology Venture Enterprises Ltd.		Cyberabad Trustee Company Pvt. Ltd.		Srei Equipment Finance Limited		Srei Asset Leasing Limited <sup>4</sup>	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
The date since when the subsidiary was acquired	26.12.1998	25.12.1997	25.09.2008	06.06.2008	27.11.2009	27.11.2009	31.03.2012	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007	29.08.2007
<b>Reporting period</b>	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange rate on last day of reporting year (In INR)																						
Share Capital	505.00	25.00	5.00	3.53	1,850.00	15.00	500.00	25.00	5.00	5.00	15.00	500.00	25.00	5.00	25.00	5.00	5.00	5.00	5.00	7,902	7,902	100.00
Reserves & Surplus	(133.25)	30,799.42	(116.24)	(485.17)	(591.60)	(9.10)	903.65	16.80	1.65	1.65	(9.10)	903.65	16.80	1.65	16.80	1.65	1.65	1.65	1.65	(607,123)	(607,123)	3.17
Total Assets	384.74	44,051.17	7.75	1,996.89	1,258.66	7.02	1,514.66	47.14	6.97	6.97	7.02	1,514.66	47.14	6.97	47.14	6.97	6.97	6.97	6.97	2,658,390	2,658,390	103.94
Total Liabilities	384.74	44,051.17	7.75	1,996.89	1,258.66	7.02	1,514.66	47.14	6.97	6.97	7.02	1,514.66	47.14	6.97	47.14	6.97	6.97	6.97	6.97	2,658,390	2,658,390	103.94
Investments	245.53	42,060.61	0.59	20.37	24.98	-	587.38	-	-	-	-	587.38	-	-	-	-	-	-	-	123,604	123,604	94.40
Turnover	32.48	1,444.88	1.72	160.34	86.10	0.01	1,958.61	2.03	0.34	0.34	0.01	1,958.61	2.03	0.34	2.03	0.34	0.34	0.34	0.34	314,165	314,165	4.02
Profit/(Loss) before Tax	(86.25)	167.00	(13.03)	(28.53)	78.65	(2.88)	859.03	(6.00)	0.24	0.24	(2.88)	859.03	(6.00)	0.24	(6.00)	0.24	0.24	0.24	0.24	(267,485)	(267,485)	3.52
Provision for Taxation	(29.56)	46.15	(0.35)	(2.08)	-	-	200.14	-	-	-	-	200.14	-	-	-	-	-	-	-	9,807	9,807	-
Profit/(Loss) after Tax	(56.69)	120.85	(12.68)	(26.45)	78.65	(2.88)	658.89	(6.00)	0.18	0.18	(2.88)	658.89	(6.00)	0.18	(6.00)	0.18	0.18	0.18	0.18	(277,292)	(277,292)	3.52
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extent of shareholding (effective) - in percentage	100%	51%	51%	100%	100%	100%	100%	26.01%	26.01%	26.01%	100%	100%	26.01%	26.01%	26.01%	26.01%	26.01%	26.01%	26.01%	100%	100%	100%

### Notes:

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the current reporting year: None
- Formerly known as Srei Alternative Investment Managers Limited
- Formerly known as Srei Finance Limited

## Part "B" : Associates and Joint Ventures

An Associate namely IIS International Infrastructure Services, Gmbh, was liquidated on 29.07.2020. The Company does not have any Associate or Joint Venture for the year ended as on 31.03.2021, therefore Part B of Form AOC1 is Not Applicable.

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

Chartered Accountants  
ICAI Firm Registration No. 304138E

### Manoj K Roongta

Partner  
Membership No. 057761

Place : Kolkata

Date : 27th May, 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 Ltd are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability. Address for Correspondence - Vishwakarma 86C, Topsia Road (South), Kolkata, West Bengal, 700046

Email ID for Correspondence - sreiaadministrator@srei.com

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

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

### Rajneesh Sharma

Administrator Appointed Under IBC



**SREI Infrastructure Finance Limited**

CIN : L29219WB1985PLC055352

*Registered Office:*

'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046  
srei.com





## SREI INFRASTRUCTURE FINANCE LIMITED

(A Company under Corporate Insolvency Resolution Process)

CIN : L29219WB1985PLC055352

**Registered Office:**

'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046

Tel No. : 033 - 6639 4700, Website: www.srei.com

Email: investor.relations@srei.com

### NOTICE OF THIRTY SEVENTH ANNUAL GENERAL MEETING

#### BACKGROUND

The Reserve Bank of India (RBI) vide its press release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE(1) of the Reserve Bank of India Act, 1934 (RBI Act) had superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL) with immediate effect, owing to the governance concerns and defaults by your Company in meeting various payment obligations. The RBI appointed Shri Rajneesh Sharma as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its press release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) members Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution. Since the Administrator also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the Administrator in fulfillment of his role and responsibilities. The members of the Advisory Committee, as on the date of this Notice, are Shri Venkat Nageswar Chalasani, Former Deputy Managing Director, State Bank of India, Shri T T Srinivasaraghavan, Former Managing Director, Sundaram Finance Limited and Shri Farokh N Subedar, Former Chief Operating Officer and Company Secretary, Tata Sons Limited .

On October 08, 2021, the RBI filed a petition before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT/Adjudicating Authority) under Section 227 read with Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC/IBC Code/Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Applications to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate CIRP against your Company. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the date of filing of the application to initiate CIRP. Thereafter, CIRP was initiated against your Company by an order dated October 08, 2021 of the Hon'ble NCLT. The Hon'ble NCLT, vide the said order, appointed Mr. Rajneesh Sharma as the Administrator of Srei Infrastructure Finance Limited directing him to carry out his functions as contemplated by Sections 15, 17, 18, 19 & 20 of the Code. The said order also directed commencement of Moratorium

in terms of Section 14 of the Code in respect of Srei Infrastructure Finance Limited.

The Administrator has been appointed under Rule 5(a)(iii) of the FSP Rules under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Shri Rajneesh Sharma, who acts as an agent of the Company only and without any personal liability.

Accordingly, your Company is presently undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder.

**NOTICE** is hereby given that the Thirty Seventh Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited will be held on September 30, 2022 at 11:30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt
  - a) The Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2022, and the Board's Report (Report of Advisory Committee chaired by the Administrator) and Auditors thereon.
  - b) The Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2022, and the Report of the Auditors thereon.

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

**Rajneesh Sharma  
Administrator**

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

Dated : September 6, 2022

Place : Kolkata

## NOTES

1. Pursuant to General circular nos. 2/ 2022 dated May 05, 2022, 19/2021 dated December 08, 2021 and other Circulars issued by the Ministry of Corporate Affairs ("MCA Circulars"), and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (SEBI), the 37th Annual General Meeting (AGM) of the Members of the Company shall be held through Video Conferencing (VC) or other Audio Visual Means (OAVM), which does not require physical presence of Members at a common venue, in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and aforesaid MCA Circulars. The deemed venue for the 37th AGM shall be the Registered Office of the Company.

2. The Company has engaged the services of KFin Technologies Limited (KFinTech), Registrar and Share Transfer Agents of the Company to provide VC/OAVM facility for the 37th AGM.

3. The Helpline number regarding any query/assistance for participation in the said AGM through VC/OAVM is 1800-309-4001 (toll free).

4. Proxies: Since the 37th AGM of the Company will be held through VC/OAVM, physical attendance of the Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility of appointment of proxies by the Members under Section 105 of the Act will not be available for the 37th AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

However, Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are entitled to appoint authorised representatives to attend the 37th AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

5. Members attending the 37th AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

6. **Instructions to the Members for attending the 37th AGM through Video Conferencing:**

i. **Attending the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited (KFinTech). Members may access the same at <https://emeetings.kfintech.com> and login by using the remote e-voting credentials and click on "video conference". The link for AGM will be available in 'members' login where the EVENT and the Name of the Company can be selected.

ii. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User

ID and Password may retrieve the same by following the other instructions provided in remote e-voting in Note No. 16 below.

iii. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 (fifteen) minutes from the schedule time of the AGM. However, the participation of Members holding 2% (two per cent) or more shareholding of the Company, promoters, institutional investors, Key Managerial Personnel (KMPs), of the Company, Auditors etc. is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

iv. Members are encouraged to join the Meeting through laptops with Google Chrome for better experience.

v. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

vi. Please note that Members using Mobile Devices or Tablets or Laptops and accessing the internet via "Mobile Hotspot" may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wifi or LAN connection to mitigate any kind of aforesaid glitches.

vii. **Speaker Registration before 37th AGM:** Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during 26th September, 2022 (9.00 a.m. IST) 29th September, 2022 (5.00 p.m. IST).

Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM relating to the business matters being transacted at the 37th AGM. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon the availability of time for smooth conduct of the AGM.

7. **Manner of updation of Email id:** Members holding shares in physical mode and who have not registered /updated their email IDs, are requested to register/update the same with the Company's Registrar & Share Transfer Agents, KFin Technologies Limited (KFinTech) by clicking the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Alternatively, Members may send an email request along with signed scanned request letter mentioning their folio no. and the email ID that is to be registered along with the self-attested copy of the PAN card and self-attested copy of any document (i.e. Driving License, Passport, Aadhar card etc.) in support of the address of the

Member to the Company's email ID investor.relations@srei.com and/or to the email id of KFinTech einward.ris@kfinotech.com. Members holding shares in dematerialized mode are requested to register/update their email IDs with the Depository Participant(s) with whom they maintain their demat account.

8. **Registrar & Share Transfer Agents and Depository Participant:**

Members holding Shares in physical mode are requested to intimate changes in their address to KFin Technologies Limited, Registrar and Share Transfer Agents (RTA) of the Company located at Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

9. **Nomination Facility:** Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), KFin Technologies Limited. In respect of shares held in electronic/demat form, the Members may please contact their respective depository participant.

10. **IEPF related Information:**

I. **Unclaimed Dividend:** The Company has transferred the unpaid or unclaimed dividends declared upto financial years 2013-14, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in). Dividends for the financial year ended March 31, 2014, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to IEPF within statutory timelines. Members who have not en-cashed the dividend warrant(s), so far for the financial year ended March 31, 2014, or any subsequent financial years are requested to make their claim to the Company at its Registered Office. The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2022, March 31, 2021 and March 31, 2020 are uploaded on the website of the Company [www.srei.com](http://www.srei.com).

II. **Transfer of Unclaimed Shares:** Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, the Company has during the financial year 2020-21 transferred to the IEPF Authority 25282 (twenty five thousand and two

hundred eighty two) equity shares held by 452 (four hundred fifty two) shareholders w.r.t. financial year 2013-14 in respect of which dividend has remained unpaid/unclaimed for 7 (seven) consecutive years or more, within stipulated timelines. Details of shares so far transferred to IEPF Authority have been uploaded on the website of the Company [www.srei.com](http://www.srei.com). The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in).

Further, upon application by shareholders claiming refund of equity shares which were transferred to IEPF Authority as per IEPF Rules, the IEPF Authority has settled applications pertaining to 100 (hundred) equity shares to respective shareholders of the Company during the financial year 2020-21. Accordingly, total number of equity shares lying in IEPF Account as on the date of this notice is 4,44,285 (Four Lacs Forty Four Thousand Two Hundred and Eighty Five).

Further, shares in respect of which dividend will remain unclaimed progressively for 7 (seven) consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, adhering to the various requirements set out in the IEPF Rules.

It may please be noted that once the unclaimed dividend and shares are transferred to IEPF, as above, no claims shall lie against the Company. However, claim can be made from IEPF Authority by making an application in Form no. IEPF-5 which is available at [www.iepf.gov.in](http://www.iepf.gov.in) in accordance with the IEPF Rules.

11. **Dematerialisation of Shareholding:** Pursuant to the proviso to Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per the amendment on January 24, 2022, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

12. **Consolidation of Multiple Folios:** Members who hold Shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, KFin Technologies Limited, enclosing their Share Certificates to enable the Company to consolidate their holdings into a single folio.

13. **New Certificates:** Members who have not yet surrendered their old Share Certificate(s) for exchange with new Certificate(s) bearing hologram, logo and barcoding are requested to surrender the same to the Company's Registrar and Share Transfer Agents, KFin Technologies Limited.

14. **Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company’s Registrar and Share Transfer Agents, KFin Technologies Limited.

15. **Inspection by Members:** All relevant documents referred to in the Notice are available electronically for inspection without any fee by the Members from the date of circulation of this Notice upto the date of the 37th AGM. Members seeking to inspect such documents can send an email to investor.relations@srei.com.

The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the 37th AGM.

Members desirous of obtaining any relevant information with regard to the accounts of the Company or any other matter placed at the Meeting are requested to send their requests in writing at investor.relations@srei.com to the Company at least 7 (seven) days before the 37th AGM, so as to enable the Company to keep the information ready.

16. **Voting through electronic means (Electronic Voting):**

Members may cast their votes remotely, using an electronic voting system during the remote e-voting period. In addition, the facility for voting through electronic voting system shall also be made available during the 37th AGM. Members attending the 37th AGM through VC/OAVM and have not casted

their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM.

I. **Remote e-voting:**

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin Technologies Limited (KFintech) on all resolutions set forth in this Notice.

The Procedure and instructions for remote e-voting facility are as follows:

**A. Information and instructions for remote e-voting by an individual shareholder, holding shares in electronic/ demat mode**

Pursuant to SEBI Circular no. SEBI/HO/CFD/ CMD/CIR/P/ 2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. Members are advised to update their mobile number and email Id with their Depositories in order to access e-voting facility.

**The procedure to login and access the remote e-voting, as devised by the Depositories /Depository Participant(s) is given below:**

Type of shareholders	Login method
Individual shareholders holding shares in demat mode with NSDL	<b>1. User already registered for IDeAS facility:</b>
	i) Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>
	ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section.
	iii) On the new page, enter existing User ID and Password. Post successful authentication, click on “Access to e-Voting”
	iv) Click on company name or e-voting service provider (i.e. KFintech) and you will be re-directed to KFintech e-voting website for casting the vote during the remote e-voting period.
	<b>2. User not registered for IDeAS e-Services:</b>
	i) To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>
	ii) Select “Register Online for IDeAS”) or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
iii) Proceed with completing the required fields.	
iv) Post registration is completed, follow the process as stated in point no.1 above.	

Type of shareholders	Login method
3. <b>First time users can visit the e-voting website directly and follow the process below:</b>	i) URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
	ii) Click on the icon “ <b>Login</b> ” which is available under ‘ <b>Shareholder/Member</b> ’ section.
	iii) A new screen will open. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
	iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.
	v) Click on company name or e-voting service provider name (i.e. KFintech) and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.
<b>Individual shareholders holding securities in demat mode with CDSL</b>	<b>1. Existing user who have opted for Easi / Easiest:</b>
	i) Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>
	ii) Click on New System Myeasi
	iii) Login with user id and password.
	iv) Option will be made available to reach e-voting page without any further authentication.
	v) Click on e-voting service provider name (i.e. KFintech) to cast your vote.
	<b>2. User not registered for Easi/Easiest:</b>
	i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	ii) Proceed with completing the required fields.
	iii) Post registration is completed, follow the process as stated in point no.1 above
	<b>3. First time users can visit the e-Voting website directly and follow the process below:</b>
	i) Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>
	ii) Provide demat Account Number and PAN No.
	iii) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
	iv) After successful authentication, user will be provided links for the respective ESP i.e. KFintech where the e- voting is in progress.
v) Click on company name and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.	
<b>Individual shareholders (holding securities in demat mode) logging in through their depository participants</b>	1. Individual Shareholders (holding securities in demat mode) can access e-voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL / CDSL for e-voting facility.
	2. Once logged in, you will be able to see e-voting option. Click on e-voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication wherein you can see e-voting feature.
	3. Click on Company name or e-voting service provider name (i.e. KFintech) and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.

**Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available on the websites of Depositories / Depository Participants.**

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as

on the cut-off date may follow steps mentioned above under “Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode”.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:



Members facing any technical issue – NSDL website	Members facing any technical issue – CDSL website
<p>Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>	<p>Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at 022- 23058738 or 22-23058542-43</p>
<p><b>B. Information and instructions for remote e-voting by shareholders other than individual shareholders, holding shares in electronic / demat mode and all shareholders holding shares in physical mode.</b></p> <p><b>(A) In case a Member receives an email from KFintech [for Members whose email IDs are registered with the Company/Depositories]:</b></p> <ol style="list-style-type: none"> <li>i. Visit the voting website of KFintech by opening your web browser and typing the URL <a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a>.</li> <li>ii. Once the homepage of the voting system is launched, enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.</li> <li>iii. After entering these details appropriately, click on “LOGIN”.</li> <li>iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.</li> <li>v. You need to login again with the new credentials.</li> <li>vi. On successful login, the system will prompt you to select the “EVENT” i.e., ‘Srei Infrastructure Finance Limited’.</li> <li>vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.</li> </ol>	<ol style="list-style-type: none"> <li>viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.</li> <li>ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.</li> <li>x. You may then cast your vote by selecting an appropriate option and click on “Submit”.</li> <li>xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).</li> <li>xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email <a href="mailto:ajasso.abhijit@gmail.com">ajasso.abhijit@gmail.com</a> with a copy marked to <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a> and <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>. The scanned image of the above mentioned documents should be in the naming format “Srei Infrastructure Finance Limited 37th AGM”.</li> </ol> <p><b>(B) In case of Members who have not registered / updated their email IDs (including Members holding shares in physical form):</b></p> <ol style="list-style-type: none"> <li>i. Please follow the steps for registration / updation of email ID and obtaining User ID and Password for e-voting as mentioned in para 9 of the ‘Notes’ and para (e) under the ‘Other Instructions’ section below. After due verification, KFintech will forward your login credentials to your registered email address.</li> <li>ii. Please follow all steps from Sl. No. (i) to (xii) above mentioned in I(A) to cast your vote by electronic means.</li> </ol> <p><b>II. <u>Voting during 37th AGM:</u></b></p> <ol style="list-style-type: none"> <li>i. The Members, who will be attending the 37th AGM through VC/OAVM and who have not cast their vote through Remote e-voting can exercise their voting rights at the said AGM.</li> <li>ii. The facility for voting through electronic voting system (‘Insta Poll’) shall be made available during the Meeting through e-voting system provided by KFin Technologies Limited in the Video Conferencing Platform.</li> </ol>



- iii. The 'Vote Now Thumb sign' on the left hand corner of the video screen shall be activated upon instructions of the Chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
  - iv. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.
  - v. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting through VC/OAVM; however those Members are not entitled to cast their vote again during the Meeting.
  - vi. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting during the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote during the AGM shall be treated as invalid.
  - vii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through E-voting on the email id [ajasso.abhijit@gmail.com](mailto:ajasso.abhijit@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
- electronically through remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 23rd September, 2022.
  - e. Any non-individual shareholder, who acquires shares of the Company and becomes a Member of the Company after sending of AGM Notice and holding shares as on the cut-off date for e-voting i.e., 23rd September, 2022, he/she may obtain the User ID and Password in the manner as mentioned below:
    - i. If the mobile number of the Member is registered against Folio No./ DP ID and Client ID, the Member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID and Client ID to 9212993399
 

**Example for NSDL:**  
MYEPWD <SPACE> IN12345612345678

**Example for CDSL:**  
MYEPWD <SPACE> 1402345612345678

**Example for Physical:**  
MYEPWD <SPACE> XXXX1234567890
    - ii. If e-mail address or mobile number of the Member is not registered against Folio No. / DP ID and Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a password.
    - iii. Member may call KFinTech's toll free number 1800-309-4001.
    - iv. Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com). KFinTech shall endeavour to send User ID and Password to those new Members whose mail ids are available.

#### Other Instructions:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFinTech Website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: Srei Infrastructure Finance Limited) of KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 or at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or KFinTech's toll free No. 1800-309-4001 for any further clarifications.
  - b. Members are requested to update their mobile numbers and email IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.
  - c. The remote e-voting period commences on 26th September, 2022 (9.00 a.m. IST) and ends on 29th September, 2022 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2022 may cast their votes
17. **Scrutiniser:** The Company has appointed Mr. Abhijit Jain Company Secretary, Kolkata (CP No. 3426) as Scrutiniser for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.
  18. **Declaration of Results:** The Scrutiniser shall after the conclusion of voting at the Meeting count the votes cast at the meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and submit the same to the Administrator or person authorized by the Administrator for counter signature. The Results shall be declared either by the Administrator or by any person authorized by the Administrator and the resolution will be deemed to have been passed on the AGM date subject

to receipt of the requisite number of votes in favour of the Resolution(s).

Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the Voting results in the prescribed format within 48 hours of conclusion of the Annual General Meeting (AGM). The results shall also be uploaded on the Digital Exchange Platform (NSE's digital platform) and BSE Listing Centre. Immediately after declaration of results, the same shall be placed along with the Scrutiniser's Report on the Company's website [www.srei.com](http://www.srei.com) and on the website of KFin Technologies Limited <https://evoting.kfintech.com> and communicated to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed for placing the same on their website. The results shall also be placed on the notice board of the Company at its Registered Office as well as Corporate Office.

19. A copy of Audited Financial Statements of the Company for the financial year ended on March 31, 2022 together with the Board's Report (Report of Advisory Committee chaired by the

Administrator) and Report of the Statutory Auditors thereon is enclosed herewith.

20. **Route Map:** Since the AGM is being held through VC/OAVM, Route Map is not annexed to this Notice.

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

**Rajneesh Sharma  
Administrator**

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

Dated : September 6, 2022  
Place : Kolkata