SIFL/SECT/AA/22-23/20
May 27, 2022

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

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

Dear Sirs,

Sub: Outcome of the Administrator (assisted by the Advisory Committee) Meeting held on May 27, 2022 and Disclosure pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company vide intimation dated October 4, 2021 had intimated that the Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE (1) of the RBI Act, 1934, had issued an Order / Press Release dated October 4, 2021 w.r.t. the Supersession of the Board of Directors of Srei Infrastructure Finance Limited (the Company) as well as Srei Equipment Finance Limited (SEFL), Wholly-Owned Subsidiary of the Company with immediate effect. The RBI had appointed Shri Rajneesh Sharma as the Company's Administrator under Section 45-IE (2) of the RBI Act, 1934 with immediate effect.

The RBI had also constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

Pursuant to the above and also in reference to the Letter dated May 18, 2022, we wish to inform you that the Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held today i.e. on May 27, 2022, which commenced at 5:30 p.m. and concluded at 11:50 p.m., have inter-alia, considered and approved the following:

(i) Audited Standalone and Consolidated Financial Results for the quarter and financial year ended on March 31, 2022; and

(ii) Audit Report with a "Basis for Disclaimer of opinion" on the Audited Standalone and Consolidated Financial Results provided by D. K. Chhajer & Co, Chartered Accountants, Statutory Auditors of the Company pursuant to Regulation 33(3) of SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Statement of Impact of audit qualifications alongwith the report issued by the Statutory Auditors in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed herewith for your records.

A copy of the Audited Standalone and Consolidated Financial Results of the Company prepared in compliance with IND AS together with a copy of the Auditors' Report on the said Financial

Results for the quarter and financial year ended on March 31, 2022 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') are enclosed for your information. We are also arranging to upload the aforesaid Financial Results on the Company's website www.srei.com and publish the Financial Results in the newspapers in the format prescribed under Regulation 47 of the Listing Regulations.

Thanking you.

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

Manoj Kumar
Company Secretary and Chief Financial Officer
FCS 6698

Encl. as above

Srei Infrastructure Finance Limited
CIN: L29219WB1985PLC055352
(A Company under Corporate Insolvency Resolution Process vide NCLT (Kolkata) Order dated October 08, 2021)
Registered Office: 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700046
Tel.: +91.33.22850112-15, 61607734, Fax: +91.33.2285 7542/8501
Email: corporate@srei.com Website: www.srei.com

SREI INFRASTRUCTURE FINANCE LIMITED

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

(CIN): L29219WB1985PLC055352

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

	Particulars	Quarter ended			Year ended	
		31-Mar-22 (Audited)	31-Dec-21 (Unaudited)	31-Mar-21 (Audited)	31-Mar-22 (Audited)	31-Mar-21 (Audited)
	Revenue from Operations					
	Interest Income	5	3	5	14	28
	Dividend Income	0	-	-	0	-
	Rental Income	94	106	328	396	1,391
	Fees and Commission Income	609	531	558	2,361	2,494
	Net gain on fair value changes	-	-	(1)	-	3
	Net gain/ (loss) on derecognition of financial instruments	-	-	-	-	274
(I)	**Total Revenue from Operations**	**708**	**640**	**890**	**2,771**	**4,190**
(II)	Other Income	13	292	570	459	811
(III)	**Total Income (I+II)**	**721**	**932**	**1,460**	**3,230**	**5,001**
	Expenses					
	Finance Costs	-	47	649	158	3,282
	Fees and Commission Expense	526	373	401	1,849	1,178
	Impairment on Financial Instruments (Net)	141	115	369	457	1,472
	Employee Benefits Expenses	71	120	283	484	813
	Depreciation, Amortisation and Impairment	59	185	193	613	773
	Administrative and Other Expenses	267	221	343	1,022	1,000
(IV)	**Total Expenses (IV)**	**1,064**	**1,061**	**2,238**	**4,583**	**8,518**
(V)	Profit / (Loss) Before Exceptional items and Tax (III-IV)	(343)	(129)	(778)	(1,353)	(3,517)
(VI)	Exceptional Items	-	-	310,455	-	310,455
(VII)	Profit / (Loss) Before Tax (V-VI)	(343)	(129)	(311,233)	(1,353)	(313,972)
(VIII)	Tax Expense:					
	(a) Current Tax	-	-	-	-	-
	(b) Income Tax in respect of earlier year	(1,082)	-	(54)	(2,926)	(54)
	(c) Deferred Tax	-	-	(19,306)	-	(19,446)
(IX)	Profit / (Loss) after tax from continuing operations (VII-VIII)	739	(129)	(291,873)	1,573	(294,472)
(XVI)	**Other Comprehensive Income**					
	Items that will not be reclassified to Profit or Loss					
	- Remeasurement Gains/ (Losses) on Defined Benefit Plan	1	6	50	23	29
	- Gains/ (Losses) on Equity Instruments through Other Comprehensive Income	(58,462)	6,900	12,640	(32,730)	17,627
	- Tax related to above	-	-	(2,636)	-	(3,729)
	Total Other Comprehensive Income (XVI)	**(58,461)**	**6,906**	**10,054**	**(32,707)**	**13,927**
(XVII)	**Total Comprehensive Income for the period (XV+XVI)**	**(57,722)**	**6,777**	**(281,819)**	**(31,134)**	**(280,545)**
	Paid-up Equity Share Capital (Par Value Rs. 10/- per Equity Share)	50,309	50,309	50,309	50,309	50,309
	Other Equity excluding Revaluation Reserves				(77,721)	(46,587)
	Earnings per Equity share (Basic and Diluted) (in Rs.) (*Not annualised) (Par Value Rs. 10/- per Equity Share)	***0.15**	***(0.02)**	***(58.02)**	***0.31**	**(58.53)**

BALANCE SHEET

(₹ in Lakhs)

Particulars	As at 31-Mar-22 (Audited)	As at 31-Mar-21 (Audited)
ASSETS		
1. Financial Assets		
(a) Cash and Cash Equivalents	1,100	1,731
(b) Bank Balance other than (a) above	253	1,998
(c) Receivables		
(i) Trade Receivables	1,078	1,204
(d) Investments	28,446	61,185
(e) Other Financial Assets	553	496
	31,430	**66,614**
2. Non-Financial Assets		
(a) Current Tax Assets (Net)	7,960	7,488
(b) Deferred Tax Assets (Net)	-	-
(c) Property, Plant and Equipment	9,421	9,655
(d) Right-of-use Assets	1	1,775
(e) Intangible Assets	3	4
(f) Other Non-Financial Assets	162	213
	17,547	**19,135**
TOTAL ASSETS	**48,977**	**85,749**

Srei Infrastructure Finance Ltd. Kolkata

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

(₹ in Lakhs)

Particulars	As at 31-Mar-22 (Audited)	As at 31-Mar-21 (Audited)
LIABILITIES AND EQUITY		
LIABILITIES		
1. Financial Liabilities		
(a) Payables		
(I) Trade Payables		
(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)	25,723	28,055
(c) Subordinated Liabilities	33,000	33,000
(d) Lease Liabilities	2	1,994
(e) Other Financial Liabilities	16,377	18,351
	76,237	**81,781**
2. Non-Financial Liabilities		
(a) Provisions	4	51
(b) Deferred Tax Liabilities (Net)	-	-
(c) Other Non-Financial Liabilities	148	195
	152	**246**
3. Equity		
(a) Equity Share Capital	50,309	50,309
(b) Other Equity	(77,721)	(46,587)
	(27,412)	**3,722**
TOTAL LIABILITIES AND EQUITY	**48,977**	**85,749**

STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	Year ended 31-Mar-22 (Audited)	Year ended 31-Mar-21 (Audited)
A. Cash Flows from Operating Activities		
Profit Before Tax from continuing operations	**(1,353)**	**(313,972)**
Profit Before Tax from discontinued operations	-	-
Total Profit/ (Loss) Before Tax	**(1,353)**	**(313,972)**
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
Operating profit before working capital changes	**(727)**	**(2,070)**
Changes in Working Capital		
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)
Cash generated / (used) in operations	**(963)**	**12,006**
Direct Taxes Paid (net of refund)	2,661	7,811
Net Cash (used in) / generated from Operating Activities	**1,698**	**19,817**
B. Cash Flows from Investing Activities		
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
Net Cash (used in) / generated from Investing Activities	**8**	**1,213**
C. Cash Flows from Financing Activities		
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)
Net Cash (used in) / generated from Financing Activities	**(2,337)**	**(20,377)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(631)**	**653**
Cash & Cash Equivalents at the beginning of the year	**1,731**	**1,078**
Cash & Cash Equivalents transferred under slump exchange	-	-
Cash and Cash Equivalents at the end of the year	**1,100**	**1,731**

(₹ in Lakhs)

Components of Cash and Cash Equivalents:	As at 31-Mar-22 (Audited)	As at 31-Mar-21 (Audited)
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	-	-
(b) Balances with Banks - in Current Account	599	1,731
(c) Fixed Deposits with original maturity period less than three months	501	
	1,100	**1,731**

Srei Infrastructure Finance Ltd. Kolkata

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

Notes:

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

   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 ('SIFL') and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, the RBI in exercise of powers conferred under section 45-IE (5) (a) of the RBI Act, constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

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

2. These audited financial results of the Company for the quarter and 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 above financial results for the quarter and year ended March 31, 2022 were subjected to audit by the Statutory Auditors, D.K. Chhajer & Co., Chartered Accountants of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

   As part of the ongoing CIRP process the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company and assets/collateral held as securities as required under the provisions of the Code. Accordingly, the financial results are subject to the outcome of such valuation process.

Srei Infrastructure Finance Ltd. Kolkata

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

3. **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 lakh for the year ended March 31, 2022 (including Rs 825 lakhs for the quarter ended March 31, 2022)

4. **Business Transfer Agreement**

During the year 2019-20, the Company and its Subsidiary Company, Srei Equipment Finance Limited ('SEFL') entered into a Business Transfer Agreement ('BTA') to transfer the Lending Business, Interest Earning Business and Lease Business of the Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL pursuant to the BTA, subject to all necessary approvals. Accordingly, the Company and SEFL passed the relevant accounting entries in their respective books of account to reflect the slump exchange w.e.f. 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 applications no. CA 1106/KB/2020 and CA 1492/KB/2020 proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). BTA constituted an integral part of the Schemes.

The first scheme (i.e. CA 1106/KB/2020) sought for amongst other things "formal consent to be obtained from the required majority of the creditors of SEFL to the completed acquisition by way of slump exchange of the Transferred Undertaking from SIFL in terms of the BTA and consequential formal novation of the loans and securities already forming part of SEFL's liabilities and outstanding to the creditor." (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 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 October 21, 2020 and December 30, 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-5 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.

Srei Infrastructure Finance Ltd. Kolkata

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

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.

5. Consolidated Resolution under CIRP

In view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and SEFL, the Administrator, after adopting proper procedure, has filed applications before the 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.

6. Payment to lenders/others and claims under CIRP

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

The claims as on October 8, 2021 so received by the Administrator till 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 under verification, the effect of the same in the books of account 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.

Srei Infrastructure Finance Ltd. Kolkata

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

7. 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 Rs 53065 lakhs 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.

8. 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 Rs.2,686 Lakh for the year ended March 31, 2022 (including Rs.637 lakh for the quarter ended March 31, 2022) w.r.t. ICDs from SEFL nor accounted for rent of Rs.703 lakh 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 Rs.53 lakhs in relation to the Corporate Social Responsibility ('CSR') which were unspent. This unspent amount as per the requirements of Section 135 of the Act was 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 w.e.f November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regard is awaited.**

9. Going Concern

The Company had reported operating losses during the year ended March 31, 2022 and earlier years as well. Hence, the net worth of the Company has fully eroded.

There is persistent severe strain on the working capital and operations of the Company and it is undergoing significant financial stress. As stated in Note No. 1, CIRP was initiated in respect of the Company w.e.f. October 8, 2021. 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.

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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 the RBI. Pending the completion of the said process under CIRP, these financial results have been prepared on a going concern basis.

10. **Probable Connected / Related Companies**

The 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 the 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 financial results are subject to outcome of such audit/review.

11. **During the quarter ended March 31, 2022, The Company 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 the Comapny, whereas the borrower was transferred to SEFL pursuant to BTA, as stated in Note No. 4 above. 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.

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.

12. The Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated inspection into the affairs of the Company under Section 206(5) of the Act and it is under progress.

13. 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 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 August 23, 2022.

14. The figures for the quarter ended March in each of the financial years are the balancing figures between the audited figures in respect of the year and the year to date figures upto the end of the first nine months of the respective financial year.

15. In accordance to Ind AS 108 - "Operating Segments", the required disclosure is done in the Consolidated Financial Results of the Company.

Srei Infrastructure Finance Ltd. Kolkata

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

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

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

RAJNEESH SHARMA
ADMINISTRATOR APPOINTED UNDER IBC

Place: Kolkata
Date: 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 Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.
Address for Correspondence - Vishwakarma 86C, Topsia Road (South), Kolkata, West Bengal,700046
Email ID for Correspondence: sreiadministrator@srei.com

Srei Infrastructure Finance Ltd. Kolkata

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

D. K. CHHAJER & CO.
CHARTERED ACCOUNTANTS

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

To the Administrator of Srei Infrastructure Finance Limited

Report on the Audit of the Standalone Financial Results

Disclaimer of Opinion

We were engaged to audit the accompanying standalone financial results of **Srei Infrastructure Finance Limited** ("the Company") for the year ended March 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations).

We do not express an opinion on the accompanying Statement. Because of the significance of the matters described in "Basis for Disclaimer of Opinion" section of this report and the uncertainties involved, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of net profit and other comprehensive loss and other financial information of the Company for the year ended March 31, 2022.

We had issued a Disclaimer of Conclusion basis the observations forming part of the report for the quarter and six months ended September 30, 2021 and for the quarter and nine months ended December 31, 2021.

Basis for Disclaimer of Opinion

a) Note No. 2 to the Statement which explains that the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code. Hence, the Statement is subject to outcome of such audits/reviews. Pending the outcome of the Transaction Audit, we are unable to comment on the impact, if any of the same on the Statement. The note explains that latest valuations from independent valuers in respect of assets/collaterals held as securities is in progress. Hence, pending completion of the process, we are unable to comment on the impact, if any of the same on the Statement. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the the existing management of the Company, who were also part of the Company prior to the appointment of the Administrator.



b) Note No. 4 to the Statement which explains that during the financial year 2019-20, the Company accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with 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 2020-2021, 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. 6 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on October 8, 2021, 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. 8 (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. 10 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 directions 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

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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 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(g) 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

We draw attention to Note No. 9 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 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.

Emphasis of Matter

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

a) Note No. 3 to the Statement 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 Rs.3,300 lakhs for the year ended March 31, 2022 (including Rs. 825 lakhs for the quarter ended March 31, 2022).

b) Note No. 5 to the Statement which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and 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 February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL.

c) Note No. 7 to the Statement 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 31st March 2022 to the Company, valuing such units at NiL. As on December 31, 2021, TAIML had reported value of these units as Rs 53,065 lakhs under the same circumstances which continue as on March 31, 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.

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d) Note No. 11 to the Statement which explains that the Company during the quarter and year ended March 31, 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. 12 to the Statement which states that the Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated investigation into the affairs of the Company under Section 206(5) of the Act and the same is in progress.

f) Note No. 13 to the Statement 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 August 23, 2022. Report of such forensic audit was not made available to us.

Administrator's Responsibilities for the Standalone Financial Results

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 45.1E (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 Corporate Insolvency Resolution Process (CIRP') against the Company under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ("the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 (' FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application filed by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of the Company shall vest in the Administrator. Further, RBI has also retained the three-member Committee of Advisors, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

We refer to Note No. 2 to the Statement which states that the Statement has been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI and subsequently by the Hon'ble NCLT vide its order dated October 8, 2021. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 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 Statement has been prepared on the basis of the annual financial statements. The Administrator and the existing officials of the Company are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Company in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read



with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Administrator and the existing officials of the Company are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other Matter

The Statement includes the results for the quarter ended March 31, 2022, being the balancing figures between the audited figures in respect of full financial year and published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

Manoj K Roongta
Partner
Membership No.: 057761
UDIN: 22057761AJTXKL4619

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

Place: Kolkata
Date: May 27, 2022

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March,2022
[Sec Regulation 52 of the SEBI (LODR) (Amendment) Regulations,2016]

I.	Sl.No.	Particulars	Audited Figure (as reported before adjusting for qualifications) ₹ in Lakhs	Audited Figure (as reported after adjusting for qualifications) ₹ in Lakhs *
	1	Total Income	3,230	3,230
	2	Total Expenses (including tax expense)	4,583	4,583
	3	Net Profit/(Loss)	1,573	1,573
	4	Earnings Per Share - Basic -Diluted	0.1 0.1	0.1 0.1
	5	Total Assets	48,977	48,977
	6	Total Liabilities	76,389	76,389
	7	Net Worth	(27,412)	(27,412)
	8	Any Other financial item (s) (as felt appropriate by the management)	None	None

* Refer comment given by Management in item No.II (d) herein below

II. **Audit Qualification (each audit qualification separately):**

a. Details of Audit Qualification : Refer Annexure - A
b. Type of Audit Qualification: Disclaimer of Opinion
c. Frequency of qualification: First time
d. For audit Qualification (s) where the impact is quantified by the auditor, Management's views:
The impact of the quantification has been given in (I) above. The said Audit qualification is reproduced in Sl no (e) of Annexure-A. Refer comment given by management in Sl no. (e) under 'Management's view' of Annexure-A in this regards.

e. For Audit Qualification (s) where the impact is not quantified by the auditor :

(i) Management's estimation on the impact of audit qualification : In view of management's views given in Annexure A, Sl. No. (a) to (q) except (e), the financial impact is not ascertainable.

(ii) If management is unable to estimate the impact, reasons for the same: Please refer management's views in Annexure A Sl. No. (a) to (q) except (e)

(iii) Auditors' Comments on (i) or (ii) above : Our views remains unchanged considering the matter referred to in paragraph 5(a) to 5(q) and the matter referred to in the "Material Uncertainity related to Going Concern" section of our Independent Auditors Report dated May 18, 2022 on the Financial Results of the Company for the year ended March 31, 2022.

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

Srei Infrastructure Finance Ltd. Kolkata

	Signatories:	
	Mr. Rajneesh Sharma: **Administrator**	
	Mr. Souren Mukhopadhyay: **Deputy CEO**	
	Mr. Manoj Kumar : **Company Secretary & Chief Financial Officer**	
	Statutory Auditors: For **D. K. Chhajer & Co.** Chartered Accountants ICAI Firm Registration No.:304138E **Manoj K Roongta** Partner Membership no. 057761	D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road
	Place: Kolkata **Date: May 27, 2022**	

Srei Infrastructure Finance Ltd. Kolkata

Annexure- A

Details of Audit Qualification (s)	Management's Views *
Basis for Disclaimer of Opinion (a) Note No. 2 to the Statement which explains that the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code. Hence, the Statement is subject to outcome of such audits/reviews. Pending the outcome of the Transaction Audit, we are unable to comment on the impact, if any of the same on the Statement. The note explains that latest valuations from independent valuers in respect of assets/collaterals held as securities is in progress. Hence, pending completion of the process, we are unable to comment on the impact, if any of the same on the Statement. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing management of the Company, who were also part of the Company prior to the appointment of the Administrator	(a) <u>Management's View</u> The Management view is explained in Note No. 2 to the financial results

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Srei Infrastructure Finance Ltd. Kolkata

e) Note No. 10 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.	**(e) Management's View** The 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 the 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 financial results are subject to outcome of such audit/review.
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.	**(f) Management's View:** The proceedings of the CoC are in relation to the CIRP of the Company and include confidential information in relation to the CIRP of SIFL
g) In view of the possible effects of the matters described in paragraph 5(a) to 5(g) above, we are also unable to comment on the Company's compliance on various regulatory ratios/limits and consequential implications including disclosures, if any.	**(g) Management's View** Refer to views given in Point (a) to (f) above
Material Uncertainty Related to Going Concern We draw attention to Note No. 9 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.	Management views are stated in Note No. 9 to the Financial Results for the year ended March 31, 2022.

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Srei Infrastructure Finance Ltd. Kolkata

(b) Note No. 4 to the Statement which explains that during the financial year 2019-20, the Company accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with 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 2020-2021, 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.	**(b) Management's View** The Company in the past gave effect to the BTA based on expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment is in accordance with the relevant Ind AS and the underlying guidance and framework. The accounts for the quarter and year ended March 31, 2022 have been taken on record in the manner and form in which it existed on the insolvency commencement date in view of the initiation of the CIRP in accordance with the obligations imposed on the Administrator under Section 18(f) of the Code and this fact has been also been informed by the Administrator to the lenders and other stakeholders 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 the Schemes.
(c) Note No. 6 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on October 8, 2021, 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.	**(c) Management's View** As per provisions of the Code, creditors are required to submit their claims against the Company which may undergo revision based on additional documents/clarification/information which may be furnished by such creditors. Accordingly, adjustments if any arising out of the claim verification and admission process will be given effect in subsequent periods.
d) Note No. 8 (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.	**(d) Management's View** The domestic lenders of the Company had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited.

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

Srei Infrastructure Finance Ltd. Kolkata

	Signatories:	
	Mr. Rajneesh Sharma: **Administrator**	
	Mr. Souren Mukhopadhyay: **Deputy CEO**	
	Mr. Manoj Kumar : **Company Secretary & Chief Financial Officer**	
	Statutory Auditors: For **D. K. Chhajer & Co.** Chartered Accountants ICAI Firm Registration No.:304138E **Manoj K Roongta** Partner Membership no. 057761	D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road
	Place: Kolkata **Date: May 27, 2022**	

Srei Infrastructure Finance Ltd. Kolkata

SREI INFRASTRUCTURE FINANCE LIMITED

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

(CIN): L29219WB1985PLC055352

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

	Particulars	Quarter ended			Year ended	
		31-Mar-22 (Audited)	31-Dec-21 (Unaudited)	31-Mar-21 (Audited)	31-Mar-22 (Audited)	31-Mar-21 (Audited)
	Revenue from Operations					
	Interest Income	64,243	67,754	58,049	254,594	285,318
	Dividend Income	-	-	-	-	-
	Rental Income	11,265	11,197	(2,665)	44,421	46,620
	Fees and Commission Income	1,078	2,515	1,650	7,059	6,186
	Net gain on fair value changes	-	-	-	-	-
	Net gain on derecognition of financial instruments	-	-	-	-	274
	Net gain on derecognition of financial instruments under fair value through profit or loss	-	-	(3)	7	4
	Others	793	791	1,388	3,396	4,680
(I)	**Total Revenue from Operations**	**77,379**	**82,257**	**58,419**	**309,477**	**343,082**
(II)	Other Income	2,069	1,685	1,074	2,720	5,797
(III)	**Total Income (I+II)**	**79,448**	**83,942**	**59,493**	**312,197**	**348,879**
	Expenses					
	Finance Costs	10,409	31,164	79,740	216,918	333,445
	Fees and Commission Expense	502	332	3,017	2,512	5,461
	Net loss on fair value changes	1,681	(300)	24,861	27,492	49,867
	Net loss on derecognition of financial instruments under amortised cost	582	1,113	811	12,328	3,635
	Impairment on Financial Instruments (Net)	15,065	21,427	257,895	201,511	551,312
	Purchases of Stock-in-trade	-	-	1,100	-	1,100
	Employee Benefits Expenses	2,608	3,061	3,665	12,161	14,290
	Depreciation, Amortisation and Impairment	13,132	14,119	18,597	56,990	73,456
	Administrative and Other Expenses	3,907	5,206	8,209	25,345	21,743
	Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt	279	709	730	4,320	12,451
(IV)	**Total Expenses (IV)**	**48,165**	**76,831**	**398,625**	**559,577**	**1,066,760**
(V)	**Profit before Exceptional Items & Tax (III-IV)**	**31,283**	**7,111**	**(339,132)**	**(247,380)**	**(717,881)**
(VI)	Adjustment on disposal / cessation of Subsidiaries and Associate	-	-	-	-	-
(VII)	**Profit/ (Loss) Before Tax (V+VI)**	**31,283**	**7,111**	**(339,132)**	**(247,380)**	**(717,881)**
(VIII)	**Tax Expense:**					
	(a) Current Tax	(3)	143	(64)	252	115
	(b) Income Tax in respect of earlier year	(1,081)	-	(54)	6,881	(4,387)
	(c) Deferred Tax	(107)	(14)	16,505	(38)	20,230
(IX)	**Profit/ (Loss) After Tax but before Loss of Associates (VII-VIII)**	**32,474**	**6,982**	**(355,519)**	**(254,475)**	**(733,839)**
(X)	Share of Profit/ (Loss) of Associates	-	-	-	-	-
(XI)	**Profit/ (Loss) After Tax (IX+X)**	**32,474**	**6,982**	**(355,519)**	**(254,475)**	**(733,839)**
(XII)	**Other Comprehensive Income**					
	Items that will not be reclassified to Profit or Loss					
	- Remeasurement Gains/ (Losses) on Defined Benefit Plan	81	(38)	(21)	(29)	48
	- Gains/ (Losses) on Equity Instruments through Other Comprehensive Income	(19,853)	6,906	13,664	6,072	17,558
	- Tax related to above	(8,596)	(6)	(2,649)	(8,639)	(3,495)
	Items that will be reclassified to Profit or Loss					
	- Effective portion of gains and losses on hedging instruments in a cash flow hedge	-	-	719	14	1,573
	- Gains on fair valuation of loans	682	(229)	(3,601)	(210)	(2,713)
	- Tax related to above	-	-	-	-	800
	Total Other Comprehensive Income (XII)	**(27,686)**	**6,633**	**8,112**	**(2,792)**	**13,771**
(XIII)	**Total Comprehensive Income for the period (XI+XII)**	**4,788**	**13,615**	**(347,407)**	**(257,267)**	**(720,068)**
	Profit/ (Loss) for the period attributable to:					
	-Owners of the parent	32,607	6,929	(355,440)	(254,531)	(733,920)
	-Non-controlling interest	(133)	53	(79)	56	81
	Other Comprehensive Income for the period attributable to:					
	-Owners of the parent	(42,519)	6,630	7,610	(17,688)	13,771
	-Non-controlling interest	14,833	3	502	14,896	-
	Total Comprehensive Income for the period attributable to:					
	-Owners of the parent	(9,912)	13,559	(347,830)	(272,219)	(720,149)
	-Non-controlling Interest	14,700	56	423	14,952	81
	Paid-up Equity Share Capital (Par Value Rs. 10/- per Equity Share)	50,309	50,309	50,309	50,309	50,309
	Other Equity excluding Revaluation Reserves				(640,417)	(368,209)
	Earnings per Equity share (Basic and Diluted) (in Rs.) (*Not annualised) (Par Value Rs. 10/- per Equity Share)	**6.45**	***1.39**	***(70.67)**	**(50.80)**	**(145.87)**

BALANCE SHEET

(Rs. in Lakhs)

Particulars	As at 31-Mar-22 (Audited)	As at 31-Mar-21 (Audited)
ASSETS		
1. Financial Assets		
(a) Cash and Cash Equivalents	129,078	43,511
(b) Bank Balance other than (a) above	18,681	100,818
(c) Derivative Financial Instruments	-	936
(d) Receivables		
(i) Trade Receivables	5,835	4,346
(ii) Other Receivables	-	-
(e) Loans	2,031,067	2,154,861
(f) Investments	192,062	164,250
(g) Other Financial Assets	81,397	92,523
	2,458,120	**2,561,245**
2. Non-Financial Assets		
(a) Inventories	-	-
(b) Current Tax Assets (Net)	19,199	18,690
(c) Deferred Tax Assets (Net)	-	332
(d) Investment Property	1,692	1,729
(e) Property, Plant and Equipment	192,843	265,294
(f) Rights-of-use - Assets	713	2,844
(g) Capital Work-In-Progress	-	-
(h) Goodwill on Consolidation	683	683
(i) Other Intangible Assets	841	1,177
(j) Other Non-Financial Assets	39,028	48,364
	254,999	**339,113**
TOTAL ASSETS	**2,713,119**	**2,900,358**

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(Rs. in Lakhs)

Particulars	As at 31-Mar-22 (Audited)	As at 31-Mar-21 (Audited)
LIABILITIES AND EQUITY		
LIABILITIES		
1. Financial Liabilities		
(a) Derivative Financial Instruments	-	1,151
(b) Payables		
(I) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	210	14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,369	9,248
(c) Debt Securities	259,552	244,148
(d) Borrowings (Other than Debt Securities)	2,676,864	2,647,553
(e) Subordinated Liabilities	294,582	278,531
(f) Lease Liabilities	830	3,136
(g) Other Financial Liabilities	20,150	24,287
	3,259,557	**3,208,068**
2. Non-Financial Liabilities		
(a) Deferred Tax Liabilities (Net)	8,266	-
(a) Provisions	15,836	1,583
(b) Other Non-Financial Liabilities	4,531	8,522
	28,633	**10,105**
3. Equity		
(a) Equity Share Capital	50,309	50,309
(b) Other Equity	(640,417)	(368,209)
	(590,108)	**- 317,900**
Non-controlling Interests	15,037	85
TOTAL LIABILITIES AND EQUITY	**2,713,119**	**2,900,358**

STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

	Year ended 31-Mar-22 (Audited)	Year ended 31-Mar-21 (Audited)
A. Cash Flows from Operating Activities		
Profit Before Tax	(247,380)	- 717,881
Adjustments for :		
Net unrealised fair value (gain) / loss	28,417	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	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
Operating profit before working capital changes	**60,119**	**(9,718)**
Changes in Working Capital		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	10,928	(22,229)
(Increase) / Decrease in Loans Assets	(91,367)	166,080
(Increase) / Decrease in Inventory	-	-
Increase / (Decrease) in Trade Payables and Others Liabilities	5,448	(113,726)
(Increase) / Decrease in Other Bank Balances	82,137	32,332
Cash generated / (used) in operations	**67,265**	**52,739**
Direct Taxes Paid (net of refund)	(7,259)	8,109
Net Cash (used in) / generated from Operating Activities	**60,006**	**60,848**
B. Cash Flows from Investing Activities		
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
Net Cash (used in) / generated from Investing Activities	**(35,171)**	**5,607**
C. Cash Flows from Financing Activities		
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)
Net Cash (used in) / generated from Financing Activities	**60,732**	**(61,833)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**85,567**	**4,622**
Cash & Cash Equivalents at the beginning of the year	**43,511**	**38,889**
Cash and Cash Equivalents at the end of the year	**129,078**	**43,511**

(Rs. in Lakhs)

Components of Cash and Cash Equivalents:	As at 31-Mar-22 (Audited)	As at 31-Mar-21 (Audited)
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
	129,078	**43,511**

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Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31-Mar-22 (Audited)	31-Dec-21 (Unaudited)	31-Mar-21 (Audited)	31-Mar-22 (Audited)	31-Mar-21 (Audited)
1. Segment Revenue					
(a) Financial Services	77,363	82,397	58,481	309,606	343,329
(b) Others	156	1	78	159	316
Total	**77,519**	**82,398**	**58,559**	**309,765**	**343,645**
Less: Inter Segment Revenue	140	141	140	288	563
Net Income from Operations	**77,379**	**82,257**	**58,419**	**309,477**	**343,082**
2. Segment Results					
(a) Financial Services	31,302	7,126	(339,105)	(247,314)	(717,806)
(b) Others	(19)	(15)	(27)	(66)	(75)
Profit Before Tax	**31,283**	**7,111**	**(339,132)**	**(247,380)**	**(717,881)**
3. Segment Assets					
(a) Financial Services	2,700,208	2,679,278	2,879,359	2,700,208	2,879,359
(b) Others	1,953	1,948	1,947	1,953	1,947
(c) Un-allocable	10,958	31,359	19,052	10,958	19,052
Total Segment Assets	**2,713,119**	**2,712,585**	**2,900,358**	**2,713,119**	**2,900,358**
4. Segment Liabilities					
(a) Financial Services	3,288,147	3,292,385	3,218,123	3,288,147	3,218,123
(b) Others	19	43	20	19	20
(c) Un-allocable	24	24	30	24	30
Total Segment Liabilities	**3,288,190**	**3,292,452**	**3,218,173**	**3,288,190**	**3,218,173**

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Notes:

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

   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 Srei Infrastructure Finance Limited (the 'Company' or 'SIFL') and its material subsidiary Company, Srei Equipment Finance Limited ('SEFL') appointed an Administrator under Section 45-IE (2) of RBI Act. Further, RBI, in exercise of powers conferred under section 45-IE (5) (a) of RBI Act, constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

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

2. The above audited consolidated financial results of SIFL, its subsidiaries and trust together referred to as "the Group" for the quarter and year ended March 31, 2022 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 RBI press release dated October 4, 2021 and subsequently, powers conferred upon him in accordance with NCLT Order dated October 8, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company as a going concern.

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

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

   The above financial results for the quarter and year ended March 31, 2022 were subjected to audit by the Statutory Auditors, D.K. Chhajer & Co., Chartered Accountants of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

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3. **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 Rs. 241 crores and Rs. 1,750 crores for the quarter and year ended March 31, 2022 respectively.

In view of the uncertainty, as stated in Note No. 3(a) above, SEFL has made further provision of Rs. 103 crores 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 Rs. Nil and Rs. 1,229 crores, for the quarter and 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.

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(c) Waiver of Interest on Non-convertible Perpetual Bond

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 Rs.3300 lakh for the year ended March 31, 2022 (including Rs 825 lakhs for the quarter 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.

4. 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.

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).

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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-5 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.

5. 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 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 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.

6. Payment to lenders/others and claims under CIRP

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

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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'.

7. **Non- Provisioning of Interest under CIRP**

Pursuant to the admission under the CIRP, SEFL has not provided for interest amount of Rs. 1,043 crores approx. and Rs. 2,000 crores approx. for the quarter and year ended March 31, 2022 respectively, on borrowings since insolvency commencement date i.e. October 8, 2021 in respect of SEFL's obligation for interest and principal amount for all the borrowings.

Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest 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 Rs.73,017 lakhs and Rs. 4,47,380 lakhs for the quarter and year ended March 31, 2022 respectively.

8. **Unhedged Foreign Currency Exposure / Trust and Retention Account**

As per the requirements of RBI notification RBI/FED/2018-19/67 FED Master Direction No.5/2018-19 dated March 26, 2019 entities raising External Commercial Borrowings ('ECB') are required to mandatorily hedge 70 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 Rs.273 crores as per contractual terms being not hedged, in terms of the aforesaid notification, as on March 31, 2022 SEFL has reported the above fact to RBI and reply from the same is awaited.

9. **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 Rs 53065 lakhs 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.

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10. 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, CIRP was initiated in respect of the SIFL and SEFL w.e.f. October 8, 2021,the Holding Company have assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial results have been prepared on a going concern assumption basis as per below:

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.

11. 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 came 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.

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The total exposure (net of impairment) towards such borrowers in SEFL is Rs. 7,088 crores and Rs. 8,576 crores 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.

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

(₹ in Lakhs)

No of accounts restructured	Amount outstanding as at March 31, 2022
130	13

13. **Based on the directions of RBI, during year ended March 31, 2022 SEFL has made provision amounting to Rs. 98 crores and Rs. 50 crores in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. These amounts which have been provided for were appearing under 'Contingent Liabilities' earlier. Since, the provision, as aforesaid, has been done on the directions of RBI, the Group has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'.**

14. **Disclosures as required by RBI circular dated August 6, 2020 'Resolution Framework for Covid-19 - related Stress' are as below for the year ended March 31, 2022**

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 half-year
Personal Loans	-	-	-	-	-
Corporate persons*	79	-	-	4	81
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**79**	**-**	**-**	**4**	**81**

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

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15. In the previous year 2020-21, the Group was having shortfall payment to INR 5.76 crores in relation to the Corporate Social Responsibility ('CSR') which were unspent. These unspent amounts as per the requirements of Section 135 of the 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 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.

16. 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 Rs. 67 crores has been upgraded during the quarter ended March 31, 2022 which was downgraded during quarter ended December 31, 2021 as aforesaid by SEFL.

17. As per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the secured redeemable non-convertible debentures as on 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. 3 (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.

18. During the quarter 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. 4 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.

19. As stated in Note No. 4, 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

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have been filed by SEFL with the Registrar of Companies, Kolkata (ROC) except for one ISIN whereby principal outstanding is Rs. 0.70 crores 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.

20. 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 Rs. 18,574/- and post commencement of CIRP an amount of Rs. 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.
With respect to SIFL, the amount transferable to IEPF has been duly transferred in accordance to section 125 of the Companies Act, 2013.

21. Details of loan transferred / acquired during the year ended March 31, 2022 pursuant to RBI Master Direction RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 on Transfer of Loan Exposures are given below:
(a) SEFL has not transferred or acquired any loans not in default during the year ended March 31, 2022
(b) SEFL has not transferred or acquired any stressed loan during the year ended March 31, 2022
(c) Details on recovery ratings assigned for Security Receipts as on March 31, 2022

Recovery Ratings	**Anticipated recovery as per recovery rating**	**Amount (Rs. in crores)**
RR1	100%-150%	194.56
RR2	75%- 100%	355.83
RR5*	0%- 25%	-

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

22. 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.

23. 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 Rs.1,376.00 lakh, Total net PAT of Rs. 115.00 lakh, Total comprehension income of Rs.30,458 lakh, Total asset Rs. 44,065 and Total Liabilities Rs. 44,065 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

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on the approved and certified financial statements provided by the management of the respective companies.

24. 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.

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

26. The figures for the quarter ended March in each of the financial years are the balancing figures between the audited figures in respect of the year and the year to date figures upto the end of the first nine months of the respective financial year.

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

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

Srei Infrastructure Finance Ltd. Kolkata

RAJNEESH SHARMA
ADMINISTRATOR APPOINTED UNDER IBC

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 Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.
Address for Correspondence - Vishwakarma 86C, Topsia Road (South), Kolkata, West Bengal,700046
Email ID for Correspondence: sreiadministrator@srei.com

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

To the Administrator

Srei Infrastructure Finance Limited

Disclaimer of Opinion

We have audited the accompanying consolidated financial results of **Srei Infrastructure Finance Limited** ("hereinafter referred to as "the Holding Company" or "SIFL") and its subsidiaries and trust (the Holding Company, its subsidiaries and trust together referred to as "the Group"), for the quarter and year ended 31 March, 2022 ("the Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The Statement includes the results of the following entities:

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

We do not express an opinion on the accompanying Statement. Because of the significance of the matters described in "Basis for Disclaimer of Opinion" section of this report and the uncertainties involved, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and



(ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss, the consolidated total comprehensive loss and other financial information of the Group for the quarter and year ended March 31, 2022.

We had issued a Disclaimer of Conclusion basis the observations forming part of the report for the quarter and six months ended September 30, 2021 and for the quarter and nine months ended December 31, 2021.

Basis for Opinion

a. Note No. 2 to the Statement which explains that the Administrator has appointed professionals and has initiated audits/reviews relating to the processes and compliances of SIFL and SEFL for conducting transaction audit as per Sections 43, 45, 50 and 66 of the Code. Hence, the Statement is subject to outcome of such audits/reviews. Pending the outcome of the Transaction Audit, we are unable to comment on the impact, if any, of the same on the Statement. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of SIFL and SEFL on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL who were also part of the respective Companies prior to the appointment of the Administrator.

b. Note No. 3(b) to the Statement which explains that the latest valuations from independent valuers as a part of 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 Statement, 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 Statement.

c. Note No. 4 to the Statement which explains that during the financial year 2019-20, the Holding Company and its subsidiary, SEFL accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with SEFL, with effect from October 1, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of the Holding Company obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. The Note further explains that during the financial year 2020-2021, SEFL had filed two separate applications under Section 230 of the Companies Act, 2013 before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the 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 February 11, 2022.
As stated in the said Note, SEFL is in the process of consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained. In view of the uncertainties that exists in the matter of BTA, we are unable to comment on the accounting of BTA,



as aforesaid, done by the Holding Company and SEFL and accordingly on the impact of the same, If any, on the Statement.

d. Note No. 6 to the Statement which explains that the Administrator has invited the financial/ operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on October 8. 2021, admitted by the Administrator till May 4, 2022 has been given in the books of account. The note also explains that the creditors can file their claim during CIRP and the figures of claims admitted and accounted in the books of accounts might undergo changes during CIRP. Hence, adjustments, if any, arising out of the claim verification and submission process, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Statement.

Note No. 6 to the Statement also explains that SEFL as per the Code on the date of commencement of CIRP i.e. October 8, 2021 has converted foreign currency debt into INR and accordingly has not translated its foreign currency exposure as on March 31, 2022, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Statement.

e. Note No. 7 to the Statement which states that SEFL has not provided for Rs. 1,043 crore approx, and Rs. 2,000 crore approx. for the quarter and year ended March 31, 2022 respectively, pursuant to its admission under the CIRP, in respect of its obligation for interest on all the borrowings since insolvency commencement date i.e. October 08, 2021. Had SEFL provided its obligation for interest, as aforesaid, profit before tax for the quarter and loss before tax for the year ended March 31, 2022 would have resulted in a loss before tax of Rs. 928 Crores and Rs, 4,675 crore for the quarter and year ended March 31, 2022 respectively.

f. Note No. 8 to the Statement which explains the reasons owing to which SEFL has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to INR 273 crore, as per contractual terms, as at March 31, 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 Statement.

g. Note No. 11 to the Statement which explains that SIFL and SEFL, as per the specific directions from Reserve Bank of India (RBI) in relation to certain borrowers referred to as 'probable connected parties/related parties', was advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Holding Company 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 SEFL has gone into CIRP. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's direction since these pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator has appointed professionals and has initiated a transaction audit/review relating to the process and compliance 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 t he Statement



h. Note No. 13 to the Statement which explains that based on the directions of RBI, SEFL has made provisions amounting to INR 98 crores and INR 50 crores in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. However, SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Hence, in absence of such assessment, we are unable to comment on any non-compliance with Ind AS and the corresponding impact, if any of the same on the Statement.

i. Note No. 15 to the Statement which explains the reasons owing to which SIFL and SEFL was not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated, in the said note, pending final determination of the financial and other consequences arising out of such non-compliance, no adjustments have been made to the Statement.

j. Note No. 17 to the Statement which states that the 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. 17 to the Statement is subject to the outcome of such valuation process. Hence, we are unable to comment on Note No. 17 as given in the Statement.

k. Note No. 19 to the Statement 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. 4 to the Statement, 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 Statement.

l. Note No. 20 to the Statement 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, the 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 Statement.

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 March 31, 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 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 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. In view of the possible effects of the matters described in paragraph 5(a) to 5(p) above, we are also unable to comment on the ratios disclosed by SEFL in Annexure 1 to Note No. 25 to the Statement.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 10 to the Statement which states that SIFL and SEFL has been admitted to CIRP and also indicates the factors that have further resulted into net loss during the quarter and year ended March 31, 2022. As a result, the Group's net worth has eroded as at that date and it has not been able to comply with various regulatory ratios/limits. All this have impacted the Group's ability to continue its operations in normal course in future. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Group's ability to continue as a 'Going Concern' in foreseeable future. However, for the reasons stated in the said note, SIFL and SEFL have considered it appropriate to prepare their Statement on a going concern basis, and hence this Statement has also been prepared on a going concern basis.

Emphasis of Matter

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

a) Note No. 3 to the Statement which explains the extent to which Covid-19 pandemic has impacted the operations of the Group. 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. 3(b) to the Statement 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 Rs. 241 crore and Rs. 1,750 crore for the quarter and year ended March 31, 2022 respectively. Also, as stated in the said Note, SEFL in view of the uncertainty, as stated in Note No. 3(a) to the Statement, has made further provision of Rs. 103 crore, as management overlay, during the quarter and year ended March 31, 2022, which is over and above the provision as required by the ECL model of SEFL.

Note No. 3 (c) to the Statement 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 Rs.3,300 lakhs for the year ended March 31, 2022 (including Rs. 825 lakhs for the quarter ended March 31, 2022).

b) Note No. 5 to the Statement which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the 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 February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of the Holding Company and SEFL.



c) Note No. 9 to the Statement 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 31st March 2022 to the Holding Company, valuing such units at Nil. As on December 31, 2021, TAIML had reported value of these units as Rs 53,065 lakhs under the same circumstances which continue as on March 31, 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.

d) Note No. 18 to the Statement which explains that the Holding Company during the quarter and year ended March 31, 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. SEFL has taken an expert opinion, which confirms that since the Company is not exercising any significant influence/control over STPL, hence, STPL is not a subsidiary/associate in terms of Ind AS 110/Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.

e) Note No. 22 to the Statement which states that the Ministry of Corporate Affairs (MCA) vide its letter dated September 27, 2021 has initiated investigation into the affairs of the Holding Company and SEFL under Section 206(5) of the Companies Act, 2013 and it is under progress.

f) Note No. 24 to the Statement 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 August 23, 2022. Reports of such forensic audit was not made available to us.

Administrator's Responsibilities for the Consolidated Financial Results

The Reserve Bank of India (`RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Holding Company 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.

The RBI had also filed application for initiation of Corporate Insolvency Resolution Process (CIRP') against SIFL and SEFL under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application filed by RBI for initiation of CIRP against the SIFL and SEFL. Further,

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Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of SIFL/SEFL shall vest in the Administrator. Further, RBI has also retained the three-member Committee of Advisors, as aforesaid, for advising the Administrator in the operations of the SIFL/SEFL during the CIRP.

We refer to Note No. 2 to the Statement which states that the Statement 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 October 8, 2021. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of SIFL and SEFL on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 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 Statement has been prepared on the basis of the annual financial statements. The Administrator and the existing officials of SIFL and SEFL are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and 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 Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Administrator and the existing officials of SIFL and SEFL 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 Administrator and the existing officials of SIFL and SEFL are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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 Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.



We also performed procedures in accordance with the Circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

i. The Statement includes the audited financial results of 08 subsidiaries whose financial statements reflect Group's share of total assets of Rs. 26,69,054 lakhs as at March 31, 2022, Group's share of total revenues of Rs. 77,051 lakhs and Rs. 3,08,101 lakhs, Group's share of total net profit after tax of Rs. 32,757 lakhs and Rs. (2,54,590) lakhs and Group's share of total comprehensive income of Rs. (25,340) lakhs and Rs. (2,87,725) lakhs for the quarter and year ended March 31, 2022 respectively and net cash inflows amounting to Rs. 85,588.41 lakhs for the year ended March 31, 2022, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of the such auditors and the procedures performed by us are as stated in Auditor's Responsibilities section above.

ii. The Statement includes the unaudited financial statements of 01 subsidiary and 01 trust and unsigned financial statements of 02 subsidiaries whose financial results reflect Group's share of total assets of Rs. 44,066 lakhs as at March 31, 2022, Group's share of total revenues of Rs. 328 lakhs and Rs. 1376 lakhs, Group's share of total net profit after tax of Rs. (283) lakhs and Rs. 115 lakhs and Group's share of total comprehensive income of Rs. 30,128 lakhs and Rs. 30,458 lakhs for the quarter and year ended 31 March, 2022 respectively and net cash inflows amounting to Rs. (21.41) lakhs for the year ended March 31, 2022, as considered in the Statement. 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 Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and trust is based solely on such unaudited financial statements / financial results. In our opinion and according to the information and explanations given to us by the existing management of the Holding Company, these financial statements / financial results are not material to the Group.

iii. Attention is drawn to Note no. 26 to the Statement which states that the Statement includes the results for the quarter ended March 31, 2022, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

Manoj K Roongta
Partner
Membership No.: 057761
UDIN: 22057776AJTXKP3964

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

Place: Kolkata
Date: May 27, 2022

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March,2022
[Sec Regulation 52 of the SEBI (LODR) (Amendment) Regulations,2016]

I.	Sl.No.	Particulars	Audited Figure (as reported before adjusting for qualifications) ₹ in Lakhs	Audited Figure (as reported after adjusting for qualifications) ₹ in Lakhs *
	1	Total Income	3,12,197	3,12,197
	2	Total Expenses (including tax expense)	5,66,672	7,59,547
	3	Net Profit/(Loss)	(2,54,475)	(4,47,350)
	4	Earnings Per Share - Basic -Diluted	(50.58) (50.58)	(88.92) (88.92)
	5	Total Assets	27,13,119	27,13,119
	6	Total Liabilities	31,03,257	33,03,227
	7	Net Worth	(3,90,138)	(5,90,108)
	8	Any Other financial item (s) (as felt appropriate by the management)	None	None

* Refer comment given by Management in item No.II (d) herein below

II. **Audit Qualification (each audit qualification separately):**

a. Details of Audit Qualification : Refer Annexure - A
b. Type of Audit Qualification: Disclaimer of Opinion
c. Frequency of qualification: First time
d. For audit Qualification (s) where the impact is quantified by the auditor, Management's views:
The impact of the quantification has been given in (I) above. The said Audit qualification is reproduced in Sl no (e) of Annexure-A. Refer comment given by management in Sl no. (e) under 'Management's view' of Annexure-A in this regards.

e. For Audit Qualification (s) where the impact is not quantified by the auditor :

(i) Management's estimation on the impact of audit qualification : In view of management's views given in Annexure A, Sl. No. (a) to (q) except (e), the financial impact is not ascertainable.

(ii) If management is unable to estimate the impact, reasons for the same: Please refer management's views in Annexure A Sl. No. (a) to (q) except (e)

(iii) Auditors' Comments on (i) or (ii) above : Our views remains unchanged considering the matter referred to in paragraph 5(a) to 5(q) and the matter referred to in the "Material Uncertainity related to Going Concern" section of our Independent Auditors Report dated May 18, 2022 on the Financial Results of the Company for the year ended March 31, 2022.

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Srei Infrastructure Finance Ltd. Kolkata

	Signatories:	
	Mr. Rajneesh Sharma: **Administrator**	
	Mr. Souren Mukhopadhyay: **Deputy CEO**	
	Mr. Manoj Kumar : **Company Secretary & Chief Financial Officer**	
	Statutory Auditors: For **D. K. Chhajer & Co.** Chartered Accountants ICAI Firm Registration No.:304138E **Manoj K Roongta** Partner Membership no. 057761	D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road
	Place: Kolkata **Date: May 27, 2022**	

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Annexure- A

Details of Audit Qualification (s)	Management's Views *
Basis for Disclaimer of Opinion (a) Note No. 2 to the Statement which explains that the Administrator has appointed professionals and has initiated audits/reviews relating to the processes and compliances of SIFL and SEFL for conducting transaction audit as per Sections 43, 45, 50 and 66 of the Code. Hence, the Statement is subject to outcome of such audits/reviews. Pending the outcome of the Transaction Audit, we are unable to comment on the impact, if any, of the same on the Statement. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of SIFL and SEFL on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL who were also part of the respective Companies prior to the appointment of the Administrator.	(a) **Management's View** The Management view is explained in Note No. 2 to the financial results
(b) Note No. 3(b) to the Statement which explains that the latest valuations from independent valuers as a part of 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 Statement, 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 Statement	(b) **Management's View** Most of the valuations of Assets/Collaterals held as securities, wherever applicable, have been done by Independent valuers during pre CIRP period. However, valuation of the Company (including Assets) has been initiated under the provisions of the Code by two (2) independent IBBI registered valuers and the same is currently underway. Thus the financials of the Company are subject to outcome of such valuation.

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(c) Note No. 4 to the Statement which explains that during the financial year 2019-20, the Holding Company and its subsidiary, SEFL accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with SEFL, with effect from October 1, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of the Holding Company obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. The Note further explains that during the financial year 2020-2021, SEFL had filed two separate applications under Section 230 of the Companies Act, 2013 before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the 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 February 11, 2022. As stated in the said Note, SEFL is in the process of consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained. In view of the uncertainties that exists in the matter of BTA, we are unable to comment on the accounting of BTA, as aforesaid, done by the Holding Company and SEFL and accordingly on the impact of the same, If any, on the Statement.	(c) **Management's View** The Company in the past gave effect to the BTA based on expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment is in accordance with the relevant Ind AS and the underlying guidance and framework. The accounts for the quarter and year ended March 31, 2022 have been taken on record in the manner and form in which it existed on the insolvency commencement date in view of the initiation of the CIRP in accordance with the obligations imposed on the Administrator under Section 18(f) of the Code and this fact has been also been informed by the Administrator to the lenders and other stakeholders 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 the Schemes.
(d) Note No. 6 to the Statement which explains that the Administrator has invited the financial/ operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on October 8, 2021, admitted by the Administrator till May 4, 2022 has been given in the books of account. The note also explains that the creditors can file their claim during CIRP and the figures of claims admitted and accounted in the books of accounts might undergo changes during CIRP. Hence, adjustments, if any, arising out of the claim verification and submission process, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Statement. Note No. 6 to the Statement also explains that SEFL as per the Code on the date of commencement of CIRP i.e. October 8, 2021 has converted foreign currency debt into INR and accordingly has not translated its foreign currency exposure as on March 31, 2022, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Statement.	(d) **Management's View** As per provisions of the Code, creditors are required to submit their claims against the Company which may undergo revision based on additional documents/clarification/information which may be furnished by such creditors. Accordingly, adjustments if any arising out of the claim verification and admission process will be given effect in subsequent periods. Since in terms of the provisions of the Code, the foreign currency debt of the Company is required to be admitted as claim in INR, we have recognised the same in our books accordingly.

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e. Note No. 7 to the Statement which states that SEFL has not provided for Rs. 1,043 crore approx, and Rs. 2,000 crore approx. for the quarter and year ended March 31, 2022 respectively, pursuant to its admission under the CIRP, in respect of its obligation for interest on all the borrowings since insolvency commencement date i.e. October 08, 2021. Had SEFL provided its obligation for interest, as aforesaid, profit before tax for the quarter and loss before tax for the year ended March 31, 2022 would have resulted in a loss before tax of Rs. 928 Crores and Rs, 4,675 crore for the quarter and year ended March 31, 2022 respectively.	(e) **Management's View** Pursuant to the admission of the company under the CIRP and the consequent moratorium u/s 14 of the Code, the claims of the creditors of the Company have been admitted/in the process of being admitted, which shall be settled in terms of the Resolution Plan to be approved by the Hon'ble NCLT.
f. Note No. 8 to the Statement which explains the reasons owing to which SEFL has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to INR 273 crore, as per contractual terms, as at March 31, 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 Statement.	(f) **Management's View** The domestic lenders of SEFL had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by SEFL were being approved/released based on the TRA mechanism and as such SEFL was not able to make payment of the hedging premium/cost to the concerned banks for keeping the ECB exposures hedged and hence was not able to meet the requirements of the RBI notification. SEFL has reported the said fact to RBI and reply from the same is awaited."

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g. Note No. 11 to the Statement which explains that SIFL and SEFL, as per the specific directions from Reserve Bank of India (RBI) in relation to certain borrowers referred to as 'probable connected parties/related parties', was advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Holding Company 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 SEFL has gone into CIRP. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's direction since these pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator has appointed professionals and has initiated a transaction audit/review relating to the process and compliance 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 t he Statement	(g) **Management's View** The Reserve Bank of India (RBI) in its inspection report and risk assessment report (the directions) for the year ended March 31, 2020 had identified 'certain borrowers' as probable connected/ related companies. In the directions, the Company has been advised to reassess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to Srei Infrastructure Finance Limited ('SIFL' or 'Holding Company') and also whether these are on arm's length basis. In view of the directions, the previous management had taken legal view to determine whether such borrowers are related parties to the Company or SIFL. Based on the legal view, the previous management was advised and had therefore come to conclusion that the Company or its Holding Company have no direct or indirect control or significant influence (as per Companies Act, 2013, Ind AS) over such borrowers and are not under common control and accordingly, are not a related party of the Company or its Holding Company. The previous management had 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 stated that the transactions of the Company/SIFL with probable connected parties were done at arm's length principles and are in the ordinary course of business and that such parties are not related parties of the Company/SIFL under the Companies Act, 2013 or Ind AS 24. In accordance with above, erstwhile management was in the process of re-assessing & re-negotiating terms and conditions with such borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project. However, the said process was not concluded and meanwhile the Company has gone into CIRP As such, Administrator is not in a position to comment about the actions taken by the Company pursuant to RBI's inspection report as mentioned above since the same pertain to period prior to his appointment. As a part of the CIRP, the Administrator has initiated an audit/reviews relating to the process and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code."

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h. Note No. 13 to the Statement which explains that based on the directions of RBI, SEFL has made provisions amounting to INR 98 crores and INR 50 crores in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. However, SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Hence, in absence of such assessment, we are unable to comment on any non-compliance with Ind AS and the corresponding impact, if any of the same on the Statement.	(h) **Management's View** SEFL has made provisions in respect of direct tax cases and indirect tax cases where SEFL was under various stages of appeal with the relevant tax authorities, based on directions from RBI. Hence, we are not in a position to do assessment as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'."
i.) Note No. 15 to the Statement which explains the reasons owing to which SIFL and SEFL was not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated, in the said note, pending final determination of the financial and other consequences arising out of such non-compliance, no adjustments have been made to the Statement	(i) **Management's View** The domestic lenders of the Company had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited.
j. Note No. 17 to the Statement which states that the 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. 17 to the Statement is subject to the outcome of such valuation process. Hence, we are unable to comment on Note No. 17 as given in the Statement	(j) **Management's View** Valuation of the Company has been initiated under the provisions of the Code by two (2) independent IBBI registered valuers and the same is currently underway. Accordingly, the percentage of asset cover is subject to the outcome of such process.
k. Note No. 19 to the Statement 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. 4 to the Statement, 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 Statement.	(k) **Management's view** In certain cases of borrowings wherein the novation agreements are signed by the lenders / trustees, SEFL has filed the e-forms, except for one ISIN, with ROC, Kolkata, which are yet to be approved. In some other cases, the novation agreements are yet to be signed by the lenders. Hence, the charges which were originally created in the name of SIFL for such secured borrowings are still continuing so in the records of ROC. Further, with respect to certain borrowings where, though borrowed facilities have been repaid in full, charge satisfactions are still pending. These pendencies are mainly on account of non-receipt of NOC from lenders etc. / completion of satisfaction formalities.

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l. Note No. 20 to the Statement 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, the 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 Statement.	(l) **Management's View :** 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.
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 March 31, 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.	(m) **Management's View:** Since the confirmation is an independent process carried out by the Statutory Auditors, we have no comments to make on the same. The review of the large exposures as part of the ACR including the project progress of the borrower for the year ended March 31, 2022 would be undertaken.
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.	(n) **Management's View:** The proceedings of the CoC are in relation to the CIRP of the Company and include confidential information in relation to the CIRP of SEFL.

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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.	(o) **Management's View** Refer to views given in Point (a) to (n) above
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.	(p) **Management's View** Refer to views given in Point (o) above
q. In view of the possible effects of the matters described in paragraph 5(a) to 5(p) above, we are also unable to comment on the ratios disclosed by the Company in Annexure 1 to Note No. 25 to the Statement	(q) **Management's View** Refer to views given in Point (o) above
Material Uncertainty Related to Going Concern We draw attention to Note No. 10 to the Statement which states that SIFL and SEFL has been admitted to CIRP and also indicates the factors that have further resulted into net loss during the quarter and year ended March 31, 2022. As a result, the Group's net worth has eroded as at that date and it has not been able to comply with various regulatory ratios/limits. All this have impacted the Group's ability to continue its operations in normal course in future. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Group's ability to continue as a 'Going Concern' in foreseeable future. However, for the reasons stated in the said note, SIFL and SEFL have considered it appropriate to prepare their Statement on a going concern basis, and hence this Statement has also been prepared on a going concern basis	Management views are stated in Note No. 10 to the Financial Results for the year ended March 31, 2022.

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road

Srei Infrastructure Finance Ltd. Kolkata

	Signatories:	
	Mr. Rajneesh Sharma: **Administrator**	
	Mr. Souren Mukhopadhyay: **Deputy CEO**	
	Mr. Manoj Kumar : **Company Secretary & Chief Financial Officer**	
	Statutory Auditors: For **D. K. Chhajer & Co.** Chartered Accountants ICAI Firm Registration No.:304138E **Manoj K Roongta** Partner Membership no. 057761	D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R. N. Mukherjee Road
	Place: Kolkata **Date: May 27, 2022**	

Srei Infrastructure Finance Ltd. Kolkata