

Corporate Information

(Annual report 2023-24)

Board of Directors

N. Sivaraman
 Independent Director
 DIN: 00001747

Avinash Kulkarni
 Nominee Director
 DIN: 02982164

P Santhosh
 Nominee Director
 DIN: 08515964

Neeta Mukerji
 Independent Director
 DIN: 00056010

SharadKumar Bhatia
 Independent Director
 DIN: 07327383

Chief Executive Officer

Shamik Roy - (Appointed w.e.f March 16, 2024)

Chief Financial Officer

Manoj Kumar Beriwal - (Appointed w.e.f December 11, 2023)
 Yogesh Kajaria - (Resigned w.e.f December 10, 2023)

Company Secretary

Sumit Kumar Surana

Joint Statutory Auditors

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

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

Secretarial Auditor

S.K. Khemka & Associates
 Practicing Company Secretary
 Membership No. FCS 3315, Certificate of Practice No. 2941

Registered Office

“Vishwakarma” 86C, Topsia
 Road (South), Kolkata 700046
 Tel: +91 33 6160 7734
 Fax: +91 33 228 57542

Head Office

Plot: Y-10, Block EP, Sector V,
 Salt Lake City, Kolkata 700091
 Tel: +91 33 6639 4700
 Fax: +9133 6602 2600

Corporate Office

6A, Kiran Shankar Roy Road,
 Kolkata 700001

Corporate Identification Number

U70101WB2006PLC109898

Registrar to Share Transfer Agent

KFIn Technologies Private Limited
 (erstwhile Karvy Fintech Private Limited)
 Selenium Tower B, Plot Nos. 31 & 32
 Financial District, Nanakramguda,
 SerilingampallyMandal, Hyderabad – 500032
 Email: einward.ris@karvy.com
 Tel.: 040-67161500/2222, 1800-345-4001
 Fax: 040-23420814
 Website: www.kfintech.com

Debenture Trustees

Axis Trustee Services Limited

The Ruby, 2nd Floor, SW
29, Senapati Bapat Marg,
Dadar West, Mumbai – 400 028
Tel: 022-62300451
Email: debenturetrustee@axistrustee.in
Website: www.axistrustee.in

PNB Investment Services Limited

10 Rakesh Deep Building, Yusuf
Sarai, Commercial Complex,
Gulmohar Enclave, New Delhi DL 1100049
Tel: 011-41032929
Email: cs@pnbisl.com
Website: www.pnbisl.com

Catalyst Trusteeship Limited

GDA House, Plot No. 85,
Bhusari Colony (Right),
Paud Road, Pune - 411 038
Tel.: +91 22 4922 0555
Fax: +91 22-4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: <https://catalysttrustee.com>

IDBI Trusteeship Services Limited

Universal Insurance Building,
Ground Floor, Sir P. M. Road,
Fort, Mumbai – 400 001.
Tel.: +91 22-4080 7068
Fax: +91 22 6631 1776
Email: naresh.sachwani@idbitrustee.com
Website: www.idbitrustee.com

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Board's Report

DEAR MEMBERS,

The Reserve Bank of India (RBI) vide Press Release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on October 04, 2021 owing to governance concerns and defaults by your Company in meeting various payment obligations and the RBI appointed Mr. Rajneesh Sharma, Ex- Chief General Manager, Bank of Baroda as the Administrator of your Company under Section 45-IE (2) of the RBI Act.

On October 08, 2021, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT/ Adjudicating Authority) under Section 227 read with Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate CIRP against your Company. Thereafter, CIRP was initiated against your Company by an Order dated October 08, 2021 of the Hon'ble NCLT. The Administrator performed the duties of the Resolution Professional under the Code with support of the Advisory Committee.

The Resolution Plan submitted by M/s. National Asset Reconstruction Company Limited (NARCL) was approved by the National Company Law Tribunal, Kolkata vide order dated August 11, 2023 ("Plan Approval Order"). NARCL, as the successful resolution applicant, in compliance with the terms of Section 8.3.3 of the Approved Resolution Plan issued the implementation notice and declared September 22, 2023 as the Effective Date ("Implementation Notice"). In terms of Section 6 of the Approved Resolution Plan, a committee was constituted comprising the Administrator, NARCL and three nominees from the Approving Financial Creditors ("Implementation and Monitoring Committee"). The Implementation and Monitoring Committee was responsible for the supervision of the day-to-day affairs of the Corporate Debtors and exercise the powers of the Erstwhile Board (as defined under the Approved Resolution Plan) of the Corporate Debtors till the Closing Date, since the Erstwhile Board of the Corporate Debtors remains superseded.

In terms of the Approved Resolution Plan the Board of Directors of the Company was re-constituted with effect from 26th February 2024, who took over the operations and management of the Company consequent to which the Implementation and Monitoring Committee stood dissolved.

The Directors have pleasure in presenting the 18th Annual Report on business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31st March 2024.

(Rupees in Lacs)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Total Income	72,750	1,55,757
Total expenditure (including depreciation and other expenses etc.)	8,37,479	2,62,092
Profit/(Loss) Before Tax and Exceptional Items	(7,64,729)	(1,06,335)

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Particulars	Year ended	
	March 31, 2024	March 31, 2023
Exceptional Items	-	10,15,593
Profit/(Loss) Before Tax after Exceptional Items	(7,64,729)	(11,21,928)
Net Tax expense	-	-
Other Comprehensive Income	(301)	(901)
Total Comprehensive Income	(7,65,030)	(11,22,829)
Profit/(Loss) brought forward from earlier year	(26,42,080)	(14,74,437)
Retained Earnings amount available for Appropriation	(11,74,929)	(25,96,547)
Paid up Equity Share Capital	100	7,902
Paid up Compulsory Convertible Preference Shares	11,69,168	-
Amount transferred to Reserves	5,380	45,533
Amount transferred from restructure reserve account to retained earnings in terms of the approved resolution plan	22,31,952	-
Net Worth	(11,155)	(23,40,940)

OPERATIONAL REVIEW

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

- The gross profit/(loss) (before depreciation, amortization, impairment, Net loss on derecognition of financial instruments under amortized cost category, Impairment on financial instruments (Net), Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt and exceptional items, net tax expenses for the year was Rs. (51,836) Lacs as against Rs. (9,06,360) Lacs last year.
- Profit/ (loss) before taxation for the year was Rs. (7,64,729) Lacs as against Rs. (11,21,928) in the last year.
- Net profit/ (loss) after taxation for the year was Rs. (7,64,729) Lacs as against Rs. (11,21,928) Lacs in the last year.

RESERVES

For the year ended March 31, 2024, your Company incurred a loss mainly on account of increased provisioning and higher impact of impairment on financial instrument and consequently, no transfers were made to the reserves out of the amount available for appropriation.

DIVIDEND

During the year under review, the Board had not declared any interim dividend. Further, the Board does not recommend any final dividend for the Financial Year ended March 31, 2024.

LENDING OPERATIONS

No new business envisaged in SEFL as per "Approved Resolution Plan" and the entire existing loan book portfolio and/or fixed assets/investments etc. which are meant for recovery and disposal shall be retained/transferred in SEFL.

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SHARE CAPITAL

Authorized Share Capital

The Authorised Share Capital of the Company as at March 31, 2024 is Rs. 21,000,00,00,000/- (Indian Rupees Twenty- One Thousand Crores only) divided into :

- (a) 400,00,00,000 (Four Hundred Crores) of Equity shares of Rs 10 each (Indian Rupees Ten each) and
- (b) 170,00,00,000 (One Hundred Seventy Crores) Preference Shares of Rs. 100/- (Indian Rupees Hundred each).

Paid-up Equity Share Capital

The Paid-up Equity Share Capital of the Company as at March 31, 2024 is Rs. 117,91,68,20,600 /- (Indian Rupees Eleven Thousand Seven Hundred and Ninety One Crores Sixty Eight Lakhs Twenty Thousand and Six Hundred only) divided into:

- (a) 10,00,000 (Ten Lakhs) of Equity shares of Rs 10 each (Indian Rupees Ten each) and
- (b) 116,91,68,206 (One Hundred Sixteen Crores Ninety One Lakhs Sixty Eight Thousand Two Hundred and Six) Preference Shares of Rs. 100/- (Indian Rupees Hundred each).

RESERVE BANK OF INDIA (RBI) CLASSIFICATION

Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 dated October 19, 2023, your Company has been classified as an ‘NBFC - Investment and Credit Company (NBFC-ICC)’. Further, pursuant to RBI circular on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021, your Company has been placed under 'Middle Layer' by Reserve Bank of India.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any subsidiary/Joint Ventures/Associates Company as on March 31, 2024.

SIGNIFICANT EVENT DURING THE YEAR ENDED MARCH 31, 2024, IF ANY:

The resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was approved by the National Company Law Tribunal, Kolkata vide order dated August 11, 2023 (“Plan Approval Order”). The Erstwhile Committee of Creditors (CoC) issued the CoC re-allocation notice on September 21, 2023 (“CoC Re-allocation Notice”). Pursuant to the CoC Re-allocation Notice, NARCL, as the successful resolution applicant, in compliance with the Approved Resolution Plan issued the implementation notice and declared September 22, 2023 as the Effective Date (“Implementation Notice”).

In terms of the Approved Resolution Plan, the Non-Convertible Debentures of the Company was delisted from National Stock Exchange of India Limited and BSE Limited w.e.f. December 14, 2023 .

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

CREDIT RATINGS

All the debts owed to Financial Creditors were crystallized as on Insolvency Commencement Date i.e. 8th October, 2021. All the debts owed to financial creditors have been extinguished after making payments, debt assignments and issuance of new instruments in terms of the approved resolution plan in the financial statements as at December 31st, 2023. Due intimation and communication has been made to all the rating agencies.

DEPOSIT FROM PUBLIC

The company is registered as a Non-Deposit taking Housing Finance Company. Therefore the Company did not hold any public deposits nor has accepted any public deposit during the year under review.

STATUTORY AUDITORS

The Implementation and Monitoring Committee (IMC) appointed M/s. J Kala & Associates Chartered Accountants, having Firm Registration No. 118769W allotted by The Institute of Chartered Accountants of India (ICAI) and M/s. Dass Gupta & Associates, Chartered Accountants, partnership firm, having Firm Registration No. 000112N, allotted by The Institute of Chartered Accountants of India (ICAI) as the Joint Statutory Auditors of your Company for a period of 1 (One) year, to hold office from the conclusion of the 17th (Seventeenth) Annual General Meeting till the conclusion of the 18th (Eighteenth) AGM of your Company.

Pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Reserve Bank of India (RBI) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated 27th April, 2021 and other applicable Laws, if any (including any statutory modification or re-enactment(s) thereof, for the time being in force) and Rules framed thereunder, and upon the recommendation of the Audit Committee & Board of your Company, **M/s. R Gopal and Associates**, Chartered Accountants, having Firm Registration No. 000846C allotted by The Institute of Chartered Accountants of India (ICAI) and **M/s. Ray and Co.** Chartered Accountants, having Firm Registration No. 313124E, allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as the Joint Statutory Auditors of your Company to hold office from 18th (Eighteenth) Annual General Meeting (AGM) till the conclusion of the 21st (Twenty First) AGM of your Company in terms of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, Subject to the approval of shareholders of the Company.

Both **M/s. R Gopal and Associates**, and **M/s. Ray and Co.** Chartered Accountants, meets the eligibility, qualifications and other requirements of the Auditors as specified in the Companies Act, 2013 and a certificate to this effect have also been furnished by them along with their consent to hold office as the Joint Statutory Auditors of your Company. Both have also

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provided a certificate to the effect that their appointment as the Statutory Auditors of your Company, if made, would be within the limit prescribed under Section 141 of the Companies Act, 2013 and that they are not disqualified to be appointed as the Statutory Auditors in terms of Sections 139 and 141 of the Act. Both **M/s. R Gopal and Associates**, and **M/s. Ray and Co.**, Chartered Accountants, have also furnished the peer review certificate issued to them by The Institute of Chartered Accountants of India (ICAI).

AUDITORS' REPORT

The Board have inter-alia, considered and taken on record the Ind AS Audited Financial Results of your Company for Financial Year ended March 31, 2024 in compliance with Section 129 of the Companies Act, 2013 and the Ind AS as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion – Economic Outlook

Industry Structure & Developments, Opportunities and Threats, Segment-wise or Product wise Performance and Outlook.

As per The Indian Construction Equipment Market (ICEMA) data Construction Equipment industry was valued at USD 7.25 billion in 2022 and is estimated to reach USD 13.17 billion in 2029, which is a CAGR of 8.9% over this period. The Construction Industry (CI) in India is expected to reach USD 1.4 trillion by 2025. The market size of CI was USD 791.9 billion in 2023, and is expected to achieve a CAGR of more than 5% from 2025 to 2028. While India will have the 3rd largest construction market globally by 2025, by 2030 it is expected to triple in size with its cities expected to generate 70% of India's GDP as per ICEMA.

The building blocks are largely in place for rapid growth. Monsoons are as expected and this is likely to be a positive trigger for rural consumption. Government cash balances are bolstered with largesse from the RBI by way of higher than expected dividends. The fiscal deficit is likely to be within the target of 5.1% in FY 25. Corporate balance sheets are largely de-leveraged & healthy and private investment is on track. The interest rate environment is likely to be benign with the bond market being robust. While central banks around the world have divergent views on the outlook for interest rates, the RBI maintains that the domestic conditions would set the path for interest rates in India. Consequently, the growth estimate for FY 25 has been revised upwards to 7.2%. The challenges to the growth trajectory are geo-political risks, food inflation triggered by heat waves and climate risks, rising non-fuel commodity input prices of corporates and job creation for a rising population.

The Infrastructure Projects Segment comprising the engineering and construction of: (a) Buildings & Factories (b) Transportation Infrastructure (c) Heavy Civil Infrastructure (d) Power Transmission & Distribution (e) Water & Effluent Treatment (f) Minerals & Metals is vital to India's economy, enhancing its global competitiveness through large-scale projects. To support rapid growth, India aims to invest USD 4.5 trillion in infrastructure by 2030, with USD 1.4 trillion allocated for 2019-2023.

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These strategic initiatives position SEFL for robust collections in the existing portfolio amid India's promising economic outlook. SEFL remains committed to enhancing governance, focusing on innovation in recovery, in order to generate long-term value for shareholders and stakeholders alike.

RISK MANAGEMENT

Management of risk remains an integral part of your Company's operations and it enables your Company to maintain & arrest deterioration of asset quality. The objectives of risk management is to maintain asset quality alongside growth in business, optimal allocation of capital simultaneously with enhancement of shareholders' value and hedging against unforeseen events and macro-economic or environmental conditions.

Your Company has constituted a Risk Management Committee which meets at periodic intervals to deal with such matter as may be referred to by the Board of Directors from time to time. Your Company has also designated a senior executive as Chief Risk Officer (CRO) pursuant to the provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI. Your Company's risk management strategy is based on a clear understanding of various risks, and adherence to well-laid out risk management policies and procedures. Your Company has a defined Risk Management policy for risk management which aims to put in place a robust risk management framework to help in achieving the Company's objectives. The broad objectives of the Policy is:

- a) To identify and assess various risks;
- b) To strengthen the risk management practices and compliance framework to manage various risks across the Company;
- c) To evaluate the effectiveness of mitigation strategies periodically to address material risks of the Company's operations and businesses;
- d) To review any material findings and recommendations of the Risk Department; prescribe and monitor appropriate action to address the identified gaps.

Risk is managed through a framework of policies and principles approved by the Board of Directors supported by an independent risk management function which ensures that your Company operates within a pre-defined risk management framework contours. The risk management framework ensures comprehensive coverage of all Risks faced by Company commensurate with its size & scale for effective management.

Governance Structure

The risk strategy of your Company is enunciated and overseen by the Risk Management Committee (RMC), an independent Senior Executive Level Committee that strives to put in place a framework including Policies & Procedures to ensure comprehensive coverage of Risks. Policies approved from time to time by the Board of Directors constitute the governing framework for various types of risk and business activities undertaken within this policy framework. Overall risk management is guided by well-defined procedures appropriate for the assessment and management of individual risk categories viz. credit risk, treasury, operational risk, liquidity risk and counterparty risk Under the guidance of RMC, the Risk department is

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responsible for assessing and managing risks on a regular and dynamic basis. This entails, as an imperative, garnering adequate knowledge of macroeconomic trends, insights into dynamics of various sectors, understanding of regulatory environment and application of tools if required for assessment of risk at all times.

After the initiation of the Corporate Insolvency Resolution Process vide Order dated 8th October, 2021 of the Hon'ble National Company Law Tribunal, Kolkata Bench, the Risk Committee was reconstituted to manage the integrated risk of your Company and consisting of the senior management of the Company. Pursuant to implementation of resolution plan, NARCL has taken over the management of the Co. The committees have been reconstituted & streamlined in line with the business objective wherein SEFL would be focusing on recovery in existing portfolio while fresh business would be executed in SIFL.

Credit Risk

While SEFL shall endeavor to adhere to regulatory guidelines, the Company would currently focus only on recovery of existing portfolio wherein major part of the portfolio being NPA. RBI has allowed SEFL to execute bilateral restructuring in order to expedite recovery. While in recovery mode, assessment of Credit Risk would remain limited to Restructure and Settlement of proposals and/ or initiation of legal action (SARFAESI/NCLT/IBC) etc. Risk aims at mitigating the credit risk through periodic review of large exposures.

Portfolio Risk

The portfolio risk is conducted with periodic review of borrower accounts wherein an evaluation of cash flow adequacy, security in terms of cover & state of legal action is conducted to understand recovery prospect.

Treasury Risk

As an integral part of the overall risk management system, your Company addresses different forms of market risks, viz., liquidity risk, capital risk, interest rate risk and foreign exchange risk.

Capital risk is generally defined as an enterprise's access to cash at any given time and balancing this with its efficient use. Your Company involves in assessing the overall cash flow position of your company on a monthly basis over a horizon of one year comprising maturity profile of all liabilities, and amortization of credit portfolio. Liquidity risk is two-dimensional: risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate assets in a timely manner at a reasonable price (asset dimension). Your Company's Asset Liability Management Committee (ALCO) lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

Operational Risk

Operational risk is defined as the risk of loss arising out of inadequate or failed internal processes, people and systems or from external events. Your Company has Standard Operating Procedures (SOPs) for the major processes. The key processes are tested for

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adequacy of controls at periodical intervals. The Operational Risk Framework has been strengthened to include risk control matrices and risk control self-assessment framework.

In addition, to manage operational risk prudently, 'Know Your Customer (KYC) and 'Anti-Money Laundering (AML) Policy' are in place, which helps to prevent your Company from being used intentionally or unintentionally by criminal elements for money laundering. In line with RBI guidelines Your Company has put in place a framework including policy with defined governance structure for assessment of Outsourcing Arrangement.

IT & Cyber Security Risk

Information Technology is crucial to your Company's progress. Your Company manages multiple IT risks that can greatly influence its performance & capacity to fulfill the expectations of its customers, regulators and other stakeholders.

Your Company has its Data Center (DC) on AWS (Amazon Web Services) Cloud. Your Company uses AWS Backup as a Service using which complete AMI (Amazon Machine Image) backups are taken for each application & database server from the AWS console and stored as per the policies defined by your Company. Such backups are periodically restored to check their usability. Servers can be restored from the AMIs in case of a disaster.

Information / Cyber Security risks include the risks arising from unauthorized access, use, disclosure, disruption, modification or destruction of information or information systems, including the probability of exposure or loss resulting from a cyber-attack or data breach on the Company. Your Company has implemented endpoint, email & web security solutions to detect & prevent security threats at various levels.

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

Your Company also conducts periodic online training to increase user awareness about different facets of information / cyber security.

Your Company has put in place BCP & DR (Business Continuity Plan & Disaster Recovery) Policy.

Regulatory Risk

Your Company is in the process of sharpening the coverage on maker checker based system as emphasised in the recent RBI Master Direction on IT Governance Risk Assurance & Controls through augmentation of existing & implementation of of new systems and your Company is also in the process of seeking deferral from RBI to ensure comprehensive coverage on this.

HUMAN RESOURCES ACTIVITES

Emerging robustly from the throes of the pandemic, the completion of the Corporate Insolvency Resolution Process (CIRP) was a milestone achievement, bolstering our commitment to financial stability and fostering avenues for future growth. The Financial Year 2023-24 witnessed the infusion of new investment which revitalized company operations,

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introduced innovative working methodologies, and substantially elevated morale and motivation throughout the organization.

The strategic reorganization has resulted in a more streamlined, dynamic, and agile operational structure, proving to be exceedingly beneficial in navigating the contemporary business climate. Under the stewardship of our Administrator, Mr. Rajneesh Sharma and visionary leadership, the company adhered to a policy of transparency and open communication. Regular town hall meetings played a critical role in maintaining an informed, reassured, and confident internal stakeholder base, managed with the utmost professionalism. The leadership's flexibility and the collaborative efforts led by the C-suite team instilled a constant sense of positivity, revival, and rejuvenation across all levels and grades, reinforcing faith in the potential for a turnaround and a bright future focused on recovery and new business development.

A key factor in our successful navigation through the CIRP was the unwavering commitment to revival and the deep-seated belief in a potential turnaround. The leadership and flexibility displayed by Mr. Sharma and collaborative efforts by the top management instilled a sense of 'Positivity', 'Revival', and 'Rejuvenation' across all levels and grades. This strong 'Leadership Trust,' coupled with constant positive communication about a bright road ahead under a successful resolution applicant focused on 'Recovery' and 'New Business', encouraged staff to stay engaged and hopeful.

Professional growth opportunities were strategically enhanced as the organization chose not to hire externally at the AVP and above levels. Instead, opportunities were provided for second-in-line employees to step up and showcase their capabilities by assuming their supervisors' roles. This internal promotion strategy sent a highly positive message throughout the organization, reinforcing our commitment to employee development and recognition.

During the year, new initiatives such as the introduction of a Quarterly Staff Welfare Fund and revisions in conveyance claims for Feet on Street staff were implemented. These were complemented by role enrichment opportunities and the introduction of flexible working hours and work-from-home options for those with dire need of support on medical grounds, further supported our staff during these times. The organization also took care of financial incentives; even during the CIRP, increments and incentives were awarded, highlighting our commitment to employee welfare. Other benefits included the bearing of Group Medclaim premiums by the organization, the provision of a holiday home facility for staff at subsidized rates, and the establishment of an Emergency Medical Corpus for staff.

The philosophy of our company this year was encapsulated by the principle, "Empower and Connect: Building a Unified Workforce." A diverse array of staff engagement activities were rolled out, significantly boosting employee morale and fostering a collaborative spirit across departments. These initiatives extended beyond professional spheres, involving employees in philanthropic efforts and creating a stress-free workplace where individuals felt valued and engaged.

A resolute commitment to diversity and inclusion remained a guiding principle of our HR strategy. International Women's Day was prominently celebrated, acknowledging and appreciating the contributions of our women employees at all levels of the organization. The health of our employees and their families was prioritized as the greatest asset. Comprehensive health check-ups and wellness workshops were conducted throughout the year, reflecting our commitment to the holistic well-being of our workforce.

A thorough reassessment of internal policies was undertaken to enhance compliance and risk mitigation. Management meetups underscored our ongoing commitment to operational

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sustainability. A renewed focus was placed on building in-house capabilities to adapt to new business models and operational enhancements. Although the Learning and Development (L&D) initiatives last year were limited, the company remains committed to leveraging technology to expand reach, speed, and scope, significantly contributing to operational efficiencies. The team ensured and achieved full compliance with all mandatory regulatory training requirements through our robust e-learning platforms.

Throughout the year, the HR team emphasized providing timely and effective support to each employee, fostering a culture of resilience and wellness. The HR Business Partner team played a crucial role in maintaining open lines of communication, ensuring that the workforce was connected, supported, and heard.

In this moment of reflecting on the past year, it is clear that the focus on human capital has not only sustained but also enriched the corporate ecosystem, instilling a profound sense of pride and belonging among the employees. The HR team's dedication to excellence and strategic initiatives has been central to the organization's achievements and will continue to drive success in the upcoming years.

INFORMATION TECHNOLOGY

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

Your Company manages a variety of risks that can significantly affect its performance and ability to meet the expectations of its customers, regulators and other stakeholders. In the past year, your Company's focus has primarily been on maintaining & optimizing the existing IT infrastructure. While significant new developments have been limited, it has been ensured that the IT systems continue to support the operations effectively & securely.

The primary objective of your Company has been to ensure the stability & reliability of its IT systems. Regular maintenance & support activities, including routine updates, patch management and system performance monitoring; have been carried out to ensure that the IT systems remain operational & efficient. Your Company has continued to prioritize data security & compliance with regulatory standards.

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

INTERNAL CONTROL AND AUDIT

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

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

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

Your Company has a dedicated and independent Internal Audit Department which is accountable to the Audit Committee of the Board (ACB). The purpose, scope, authority and responsibility of the Internal Audit Department are delineated in the Risk Based Internal Audit Policy. Internal Audit Department influences and facilitates improvements in the control environment by constantly evaluating the internal control systems. Significant deviations are brought to the notice of ACB. Status of compliances of audit observations and follow up actions taken thereon are reported to the ACB. The ACB reviews and evaluates adequacy and effectiveness of your Company's internal control environment and monitors the implementation of audit recommendations.

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

Based on the internal audit report, process owners undertake corrective action in their respective areas. All these measures help in maintaining a healthy internal control environment.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Your Company has formulated a codified Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, in order to encourage and support Directors and Employees of your Company to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of your Company's Code of Conduct and Code of Business Ethics and any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith. The said Policy is available on https://www.srei.com/sefl-corporate-policies/Whistle_Blower_Policy.pdf.

A Whistle Blower Committee is in place that reviews all matters and guides the management to the relevant guideline in the spirit and keeps a close ridged. The Committee last met on 7th March 2024.

NOMINATION AND REMUNERATION POLICY & PERFORMANCE EVALUATION

The Nomination and Remuneration Policy of your Company, has been formulated as per the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Additional details with respect to the said policy are attached as annexure to the Board's Report and forms part of this Annual Report.

SREI Equipment Finance Limited

The said policy is available on the website of your Company at https://www.srei.com/sefl-corporate-policies/Nomination_and_Remuneration_Policy.pdf

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company perceives Corporate Social Responsibility (CSR) as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy of your Company is embedded in its commitment to all stakeholders—consumers, employees, environment and society while your Company’s approach extends both to external community as well as to your Company’s large and diverse internal employee base & their families.

Your Company has in place a Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which, inter-alia, lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. The said Policy is available on <https://www.srei.com/sefl-corporate-codes>.

The CSR Policy describes the multiple lines around which the CSR activities of your Company are positioned being education and skills development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Act as may be identified by the CSR Committee, existing prior to the Board supersession, from time to time.

Average Net Profit of the Company for the three immediately preceding financial years is negative. In the view of such conditions, your Company is having Nil CSR obligation for the year under review. The Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

An Annual Report on CSR activities for the Financial Year 2023-24 is set out as an annexure to the Board’s Report and forms part of this Annual Report.

WEBSITE

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

SREI Equipment Finance Limited

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

No specific material changes and commitments, unless as disclosed in this Report, affecting the financial position of your Company have occurred between the end of the financial year under review, i.e. March 31, 2024 and the date of the Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

Directors

In terms of the Approved Resolution Plan, the Board of Directors of the Company was re-constitution on February 26, 2024 and the following Directors were appointed to the Board of SEFL by the Resolution Applicant

1. Mr. Avinash Kulkarni – Nominee Director (Non-Executive & Non-Independent)
2. Mr. P. Santhosh - Nominee Director (Non-Executive & Non-Independent)
3. Mr. N. Sivaraman - Independent Director (Non-Executive & Independent)

Further, the Board of Directors of the Company appointed the following Directors to the Board as Additional Director for 5 years on February 26, 2024 subject to approval of Shareholders at the General Meeting and he is not liable to retire by rotation during his tenure as Independent Director.

1. Ms. Neeta Mukerji - Additional Director (Non-Executive & Independent)
2. Mr. SharadKumar Bhatia - Additional Director (Non-Executive & Independent)

Key Managerial Personnel

Mr. Yogesh Kajaria ceased to be the Chief Financial Officer of the Company w.e.f. December 10, 2023

Mr. Manoj Kumar Beriwala was appointed as the Chief Financial Officer of the Company w.e.f. December 11, 2023

Further, Mr. Shamik Roy was appointed as the Chief Executive Officer of the Company with effect from 16th March, 2024.

In accordance with the provisions of Section 203 of the Companies Act, 2013, the following executives of your Company are the Whole-time Key Managerial Personnel (KMPs) as on March 31, 2024,

Name	Designation
Mr. Shamik Roy	Chief Executive Officer
Mr. Manoj Beriwala	Chief Financial Officer
Mr. Sumit Kumar Surana	Company Secretary

None of the KMPs holds any securities of your Company except Mr. Manoj Kumar Beriwala who holds 1 (one) share each of your Company as nominee of Srei Infrastructure Finance Limited (SIFL), holding Company.

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

Your Company has no activity relating to Conservation of Energy and Technology Absorption as stipulated in Rule 8(3) of the Companies (Accounts) Rules, 2014. However, your Company has always been conscious of the need for conservation of energy. Adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy at the offices and branches of your Company. Your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilization, safety and environment.

During the year under review, the total foreign exchange expenditure of your Company was Rs.138 lakhs (previous year Rs.774 lakhs) and has not earned any foreign exchange (Previous Year - Nil).

DETAILS OF TRANSFER OF UNPAID/UNCLAIMED AMOUNT TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As per section 125 of the Companies Act, 2013 a Company is required to transfer a certain amount lying unpaid, for 7 years, to the Investor Education Protection Fund (“IEPF”). Prior to the date of commencement of CIRP i.e. October 8, 2021 (CIRP commencement date) an amount of ₹ 18,574/- and post commencement of CIRP an amount of ₹ 7,70,634/- was transferable by Srei Equipment Finance Limited (SEFL) to IEPF in terms of section 125 of the Companies Act, 2013 on different dates till August 11, 2023. During the CIRP period, the Company was unable to comply with the provision of Section 125 of the Companies Act, 2013 due to technical difficulties in filing the forms. Till date, the Company has transferred all the pending funds lying unpaid to IEPF.

Further, during the current financial year, an amount of Rs. 16,21,336/- (Rupees Sixteen Lakhs Twenty One Three Hundred and Thirty Six) was transferable by your Company to IEPF in

terms of Section 125 of the Companies Act, 2013, on account of the interest on application money / Redemption which have been duly transferred to IEPF within due date.

MEETINGS OF THE BOARD AND BOARD COMMITTEES

During the year, two Board Meetings were convened and held, details of which are given in the Report on Corporate Governance forming part of the Annual Report.

IMPLEMENTATION AND MONITORING COMMITTEE

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

Furthermore, an Implementation and Monitoring Committee was constituted for smooth implementation of the approved Resolution plan.

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In terms of Section 6 of the Approved Resolution Plan, a committee was constituted comprising the Administrator, NARCL and three nominees from the Approving Financial Creditors (“Implementation and Monitoring Committee”). The Implementation and Monitoring Committee was responsible for the supervision of the day-to-day affairs of the Corporate Debtors and exercise the powers of the Erstwhile Board (as defined under the Approved Resolution Plan) of the Corporate Debtors till the Closing Date, since the Erstwhile Board of the Corporate Debtors remains superseded.

In terms of the Approved Resolution Plan the Board of Directors of the Company was re-constituted with effect from 26th February 2024, who took over the operations and management of the Company consequent to which the Implementation and Monitoring Committee stood dissolved.

DIRECTOR RESPONSIBILITY STATEMENT

The financial statements of your Company for the financial year ended March 31, 2024 have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of your Company which were conferred upon him by the RBI vide its Press Release dated October 04, 2021 and subsequently, powers conferred upon him in accordance with the NCLT Order dated October 08, 2021 to run your Company as a going concern during CIRP. Hence the financial statements for the year ended March 31, 2024 have been prepared on “going concern” assumptions.

In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of accounts of your Company. The audited financial statements are drawn on the basis of figures appearing in the books of accounts of your Company as on March 31, 2024.

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

- (i) in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year ended March 31, 2024 and of the profit and loss of your Company for the Financial Year 2023-24;
- (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared for the Financial Year ended March 31, 2024 on a going concern basis;
- (v) internal financial controls to be followed by your Company have been laid down and that such internal controls are adequate and are operating effectively;

- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws to your Company and the systems are adequate and operating effectively.

SECRETARIAL AUDIT REPORT

Your Company appointed M/s. S K Khemka & Associates, Practicing Company Secretaries (Membership No. FCS 3315, Certificate of Practice No. 2941) as the Secretarial Auditor of your Company for the Financial Year 2023-24 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report confirms that your Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, The Foreign Exchange Management Act, 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)), SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities Contracts (Regulation) Act, 1956, all the Regulations and Guidelines of SEBI as applicable to your Company, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

The Secretarial Audit Report for the Financial Year ended March 31, 2024 does not contain any qualification, reservation or adverse remark or disclaimer and the same forms part of the Annual Report.

CORPORATE POLICIES

The details of Policies adopted by your Company along with salient features are provided as annexure to the Board's Report and forms part of this Annual Report.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

Your Company has in place a Related Party Transaction Policy as per the provisions of the Companies Act, 2013 read with the rules made thereunder which describes the related party transactions requiring requisite approvals and requirements of appropriate reporting and disclosure of transactions between your Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with such transactions. The said Policy is available on https://www.srei.com/sefl-corporate-policies/SEFL_Related_Party_Transaction_Policy.pdf

All the related party transactions of your Company are entered in the ordinary course of business and conducted on arm's length basis wherever applicable and on commercially reasonable terms and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant transactions entered into by your Company with

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Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and your Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements and liquidity.

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

For the financial year ended March 31, 2024, the details of the related party transactions entered into by your Company in the ordinary course of business at arm's length basis are mentioned in the notes to the accounts forming part of the audited (standalone) financial statements.

Members may refer to the notes to the financial statements for details of related party transactions.

PARTICULARS OF EMPLOYEES

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

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return of your Company as at March 31, 2024, is available on website of your Company at <https://www.srei.com/sefl-financial-reports>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company is exempt from the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is as per the provisions of Section 186 of the Companies Act, 2013 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules as your Company is engaged in the business of financing of companies or of providing infrastructural facilities

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POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

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

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

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

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

ACKNOWLEDGEMENT

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We also thank our banks, business associates, members and other stakeholders for their continued support to the Company.

By Order of the Board of Directors

Sd/-

Date: 24.07.2024

Place: Kolkata

**N. Sivaraman
Chairman
DIN: 00001747**

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
SREI EQUIPMENT FINANCE LIMITED
'VISHWAKAMA', 86C, TOPSIA ROAD (SOUTH)
KOLKATA - 700046, WEST BENGAL.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SREI EQUIPMENT FINANCE LIMITED ('SEFL'/'Company') having CIN - U70101WB2006PLC109898 for the financial year ended 31st March, 2024 ('Audit Period'). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information, including certain preliminary information as listed in Annexure I, provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period covering the Financial year ended on the 31st day of March, 2024, (the 'Audit Period') complied with the statutory provisions listed hereunder, except with respect to the observations as listed in Annexure I, Annexure II, Annexure III and Annexure IV. In view of the same, our comment as to adequacy of processes and compliance-mechanism has to be read in light of the aforesaid observations and qualifications.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024, according to the provisions of:

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

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

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

The Non-Convertible Debentures issued by the company got delisted from National Stock Exchange of India and BSE Limited w.e.f. 14th December, 2023. These delistings happened in terms of the requirement of the Resolution Plan approved by the Hon'ble NCLT.

5. SPECIAL LAWS APPLICABLE TO THE COMPANY

(A) RESERVE BANK OF INDIA REGULATIONS

- (i) Reserve Bank of India Act, 1934;
- (ii) Non-Banking Financial Companies (Opening of Branch/Subsidiary/Joint Venture/ Representative Office or Undertaking Investment Abroad by NBFCs Directions, 2011;
- (iii) NBFC Auditor's Report (Reserve Bank) Directions, 2016;
- (iv) Monitoring of Frauds in NBFCs (Reserve Banks) Directions, 2016;
- (v) Master Directions - Information Technology Framework for the NBFC Sector;
- (vi) Reserve Bank of India (NBFC) Returns Specifications, 1997;
- (vii) Master Directions Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016;

- (viii) Non-Banking Financial Company - systematically Important non-Deposit taking company and Deposit Taking company (Reserve Bank) Directions, 2016;
- (ix) Miscellaneous RBI Circulars & Notifications;
- (x) Master Directions - Know Your Customer (KYC) Direction, 2016;

(B) INSURANCE LAWS -

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

(C) FEMA LAWS

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

(D) INSOLVENCY AND BANKRUPTCY CODE

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

6. GENERAL LAWS

- (i) Indian Contract Act, 1872;
- (ii) Customer Protection Act, 1986;
- (iii) Negotiable Instruments Act, 1881;
- (iv) Arbitration and Conciliation Act, 1996;
- (v) Specific Reliefs Act, 1963;
- (vi) Emblems and names (Prevention and Improper use) Act;
- (vii) Motor Vehicles Act, 1988;
- (viii) Transfer of Property Act, 1882;
- (ix) Benami Transactions (Prohibition) Act; 1988;

- (x) Code of Civil Procedure, 1908;
- (xi) Code of Criminal Procedure, 1973;
- (xii) Environment (Protection) Act, 1986;
- (xiii) Indian Evidence Act, 1872;
- (xiv) Indian Penal Code, 1860;
- (xv) Indian Limitation Act, 1963;
- (xvi) Power of Attorney act, 1882;
- (xvii) Indian Trusts Act, 1882;
- (xviii) Hire Purchase Act, 1972;
- (xix) Registration Act, 1908;
- (xx) Indian Stamp Act, 1899;
- (xxi) Indian Standard code of Practice for Selection, Installation and Maintenance of Portable First Aid fire Extinguishers Code of Practice;
- (xxii) Shops and Commercial Establishments Act;
- (xxiii) License agreements with Landlords;
- (xxiv) License for all software currently in use;
- (xxv) Information\Technology Act, 2000;
- (xxvi) The Privacy Act, 1974;
- (xxvii) Competition Act, 2002;
- (xxviii) The Representation of People Act, 1951;
- (xxix) The Rights of persons with disabilities Act, 2016;
- (xxx) The Rights of persons with disabilities Rules, 2017;

7. Specific laws applicable, as mentioned hereunder:

(E) TRADE MARKS ACT, 1999

(F) COPYRIGHT ACT, 1957

(G) PATENTS ACT, 1970

(H) TAXATION LAWS

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

We have also examined compliance with the applicable clauses (with limited application owing to ongoing CIRP which concluded on 11th August 2023) of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

The Reserve Bank of India (RBI) vide Press Release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on October 04, 2021 owing to governance concerns and defaults by your Company in meeting various payment obligations and the RBI appointed Mr. Rajneesh Sharma, Ex- Chief General Manager, Bank of Baroda as the Administrator of your Company under Section 45-IE (2) of the RBI Act.

On October 08, 2021, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT/ Adjudicating Authority) under Section 227 read with Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate CIRP against your Company. Thereafter, CIRP was initiated against your Company by an Order dated October 08, 2021 of the Hon'ble NCLT. The Administrator performed the duties of the Resolution Professional under the Code with support of the Advisory Committee.

The Resolution Plan submitted by M/s. National Asset Reconstruction Company Limited (NARCL) was approved by the National Company Law Tribunal, Kolkata vide order dated August 11, 2023 ("Plan Approval Order"). NARCL, as the successful resolution applicant, in compliance with the terms of Section 8.3.3 of the Approved Resolution Plan issued the implementation notice and declared September 22, 2023 as the Effective Date ("Implementation Notice"). In terms of Section 6 of the Approved Resolution Plan, a committee was constituted comprising the Administrator, NARCL and three nominees from the Approving Financial Creditors ("Implementation and Monitoring Committee"). The Implementation and Monitoring Committee was responsible for the supervision of the day-to-day affairs of the Corporate Debtors and exercise the powers of the Erstwhile Board (as defined under the Approved Resolution Plan) of the Corporate Debtors till the Closing Date, since the Erstwhile Board of the Corporate Debtors remains superseded.

In terms of the Approved Resolution Plan the Board of Directors of the Company was re-constituted with effect from 26th February 2024, who took over the operations and management of the Company consequent to which the Implementation and Monitoring Committee stood dissolved.

We further report that

Since the Board of SEFL was superseded and the entire Board has resigned, Secretarial Standard 1 (SS-1) which governs the Board Meeting becomes inoperative upto reconstitution of new Board which was on done on 26th February, 24.

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

Management and Auditor Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same was provided to us.

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.

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

6. Due to the inherent limitations of an audit including internal, financial, and operating controls as well as specific circumstances noted above, there is an

unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

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

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

For S. K. Khemka & Associates
Practising Company Secretaries

Sd/-

Sushil Kumar Khemka
Membership No. FCS 3315
CP No. 2941
Peer Review No. 1313/2021
UDIN No. F003315F000817359.

Place : Kolkata
Date : 24.07.2024

PRELIMINARY NOTES

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Wherever our audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of the business of the Company, the same has been done by us as much as possible.
4. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
5. The Compliances of the provisions of Corporate and other applicable laws, Rules, Regulations and Standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. Due to the inherent limitations of an Audit including internal, financial and operating controls as well as specific circumstances noted above, there is an unavoidable risk that some mis-statements of material non-compliances may not be detected even though the audit is properly planned and performed in accordance with audit practices.

OBSERVATIONS FOR THE AUDIT PERIOD

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

The Companies Act, 2013

1. As per MCA General Circular No. 08/2020 dated 06.03.2020, the resolution professional shall have to file the NCLT Order in Form INC-28 to change the MCA Master Data status to indicate that the company is under Corporate Insolvency Resolution Process. The e-form INC-28 has been filed on 26.10.2021 and the same was taken on record and Master data changed. The Change in the Status of Master Data happened after the CIRP process was over and the Company has filed the requisite form with ROC, West Bengal and the current status for filings is "Active".
2. As per Section 124(5) of the Companies Act 2013 a Company is required to transfer the amount lying in the unpaid dividend account for 7 years to Investor Education Protection Fund (IEPF). Prior to the date of commencement of CIRP i.e. October 08, 2021, an amount of Rs.18,574 and post commencement of Moratorium/CIRP an amount of Rs.5,90,858/- is transferrable by SEFL to IEPF in terms of Section 124(5) of the Companies Act 2013. The Company is unable to comply with the provisions of Section 124(5) of the Companies Act, 2013 as its compliance was not permitted by the MCA 21 System to upload due E- forms. However the Company has filed the requisite IEPF Forms after the conclusion of the financial year and its becoming "Active" in the Master Data of MCA system.
3. As per para. VII of schedule VI of the Companies Act, the independent directors of the Company are required hold at least one meeting in a Financial Year, without the attendance of non-independent directors and members of management. The CIRP process of the Company got over during the Financial Year and the requirement of Holding one meeting of Independent Directors in the current Financial year being was necessitated. However the new appointments were made only effective from 26th February, 2024, no meeting of Independent Directors was conducted.

Annexure III

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

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

S. No.	Particulars
1.	Events affecting going concern status, business operations or control
(a)	The Company came out of CIRP during the Financial Year.
(b)	After the CIRP concluded the requisite documents were handed over to the New Management and the operations were started by the new Management under the Supervisory control of the Board of Directors being reconstituted w.e.f 26 th February, 2024 and the day to day operations being overseen by the Chief Executive Officer Mr. Shamik Roy. Two KMPs were also continuing with the Company. They are Mr. Manoj Kumar Beriwala (Chief Financial Officer) and Mr. Sumit Kumar Surana (Company Secretary).
(c)	After CIRP being over, the Company continued its activities like a going concern.
2.	Events altering management, etc.
(a)	Mr. Shamik Roy, CEO was appointed w.e.f 16 th March, 2024 by the Board of Directors to look after the operations of the Company as a going Concern on day to day basis with overall reporting to the Board of Directors.
(b)	Post CIRP the Company has presently constituted the Audit Committee and other Committees as per the requirement of the Companies Act, 2013 and RBI Act. These are - <ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee • IT Strategy Committee • Risk Management Committee • IT Steering Committee • Asset Liability Management Committee • Stakeholders Relationship Committee
(c)	As stated earlier, the new Management has taken over the control of the Company and appointed its Board of Directors to oversee the operations of the Company. The RBI has exited from the supervisory control of the operations of the Company.
3.	Other Events
(a)	The Statutory Auditors of the Company, namely, M/s. J. Kala & Associates who were earlier originally appointed as the Joint Statutory Auditors with effect from 29-10-2021 were appointed as Joint Statutory Auditors at the

AGM held on 28 th September, 2023 to continue till the conclusion of the next AGM. Similarly, the other Joint Statutory Auditors M/s. Dass Gupta & Associates who were earlier originally appointed as the Joint Statutory Auditors with effect from 08-07-2022 were appointed as Joint Statutory Auditors at the AGM held on 28 th September, 2023 to continue till the conclusion of the next AGM.
--

ANNEXURE IV

LIST OF DOCUMENTS PERUSED

1. Minutes of the following were provided:
 - Annual General Meetings
 - Board Meetings
 - Audit Committee Meeting
2. Forms and returns filed with the ROC during 2023-24;
3. Registers maintained under the Companies Act, 2013;
4. Approved Resolution Plan;
5. NCLT Order dated 11th August 2023;
6. Audited balance Sheet as on 31st March 2024.
7. Master data as per MCA website for Directors and KMPs and Charges.
8. Delisting letters received from NSE and BSE for delisting of Non-Convertible Debentures.

SREI Equipment Finance Limited

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2023-24

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

1. Brief outline on CSR Policy of the Company

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

2. The Composition of the CSR Committee

Sl. No.	Name of Director Designation / Nature of Directorship	Number of meetings of CSR Committee held during the Year	Number of meetings of CSR Committee attended during the Year
Not Applicable*			

*Reserve Bank of India (RBI) vide Press Release dated October 04, 2021 superseded the Board of Directors of your Company and appointed Mr. Rajneesh Sharma as the Administrator of the Company in terms of Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) with immediate effect. The Administrator was vested with powers of the Board of Directors of your Company, pursuant to the above and as per the provisions of the Insolvency and Bankruptcy Code (IBC), 2016. During CIRP, the role of the Board and Committees was fulfilled by the Administrator by the support of Advisory Committee.

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

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

As per section 135 of companies act 2013, every company having - Net worth of rupees five hundred crore or more, **or** Turnover of rupees one thousand crore or more **or** Net profit of rupees five crore or more during [the immediately preceding financial year] are required to constitute a Corporate Social Responsibility Committee of the Board and devise a CSR Policy.

Following are the financial result of SREI Equipment Finance Limited for FY 2021-22, 2022-23, 2023-24:

SREI Equipment Finance Limited

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Net Profit	(2484,93,75,438)	(111,22,20,36,588)	(6762,71,80,916)
Networth	(11,73,342)	(23,40,940)	(111,55,00,000)
Turnover	836,91,00,000	242,87,00,000	613,89,00,000

The threshold limit of CSR Applicability is not met.

Hence, Corporate Social Responsibility (CSR) is not applicable on company.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is: <https://www.srei.com/sefl-corporate-codes>.

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

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

(b) **Two percent of average net profit of the Company as per Sub-section (5) of Section 135 of the Companies Act, 2013: Not Applicable**

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Not Applicable**

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

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

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

(b) **Amount spent in Administrative Overheads: NIL**

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

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

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	Not Applicable		Not Applicable		

SREI Equipment Finance Limited

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

Sl. No.	Particulars	Amount (in Rs.)
i.	Two percent of average net profit of the Company as per Section 135(5)	NIL
ii.	Total amount spent for the Financial Year	
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. (a) Details of Unspent CSR amount for the preceding three Financial Years: Rs. 523 lakhs.

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under Sub-section (6) of Section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any.		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
		The NCLT has approved the Resoution Plan on 13 th August, 2023. As per approved Resolution Plan all the Government dues have been extinguished. Therefore there is no unspent amount outstanding in the Books of accounts.						

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

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013: Not Applicable.

By Order of the Board of Directors

Sd/-

Date: 24.07.2024

Place: Kolkata

N. Sivaraman

Chairman

SREI Equipment Finance Limited

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

- i. The ratio of the remuneration of each Director* to the median remuneration of the employees of the Company for the financial year 2023-24:

Sl. No.	Name of the Director #	Remuneration (Rs.)	Median Remuneration of employees (Rs.)	Ratio (In times)
1	Mr. Avinash Kulkarni	Nil	5,61,101	NA
2	Mr. P. Santhosh	Nil		NA
3	Mr. Sivaraman Narayanaswami	2,00,000		0.36X
4	Mr. SharadKumar Bhatia	2,00,000		0.36X
5	Ms. Neeta Mukerji	2,00,000		0.36X

appointed as a Nominee and Independent Director w.e.f. 26.02.2024

**Remuneration includes sitting fees paid to Independent Directors for attending meetings of Board and various committees thereof

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2023-24:

Sl. No.	Name	Designation	Remuneration of previous year** (Rs.)	Remuneration of Current year** (Rs.)	% increase/ (decrease)
1	Mr. Avinash Kulkarni	Nominee Directors	Nil	Nil	Refer Note (b)
2	Mr. P. Santhosh		Nil	Nil	Refer Note (b)
3	Mr. Sivaraman Narayanaswami	Independent Directors	Nil	2,00,000	Refer Note (b)
4	Mr. SharadKumar Bhatia		Nil	2,00,000	Refer Note (b)
5	Ms. Neeta Mukerji		Nil	2,00,000	Refer Note (b)
6	Mr. Shamik Roy (w.e.f. 16.03.2024)	Chief Executive Officer	Nil	4,66,036	Refer Note (c)
7	Mr. Manoj Kumar Beriwala (w.e.f. 11.12.2023)	Chief Financial Officer	73,36,091	77,78,084	6%
8	Mr. Yogesh Kajaria (till 10.12.2023)	Chief Financial Officer	82,88,053	59,33,547	(28)%
9	Mr. Sumit Surana	Company Secretary	37,93,128	38,61,344	2%
10	Mr. Devendra Kumar Vyas	Chief Business Officer	2,54,57,720	2,45,58,797	(4)%

**Remuneration includes sitting fees paid to Independent Directors for attending meetings of Board and various committees thereof

Note:

- The remuneration of the Key Managerial Personnel (KMPs) is linked to the market and is commensurate with their diverse responsibilities and experience.
- Appointed as an Nominee and Independent Director w.e.f. 26.02.2024
- Appointed as an CEO w.e.f. 16.03.2024

- iii. The percentage increase in the median remuneration of employees in the financial year 2023-24:

SREI Equipment Finance Limited

Median remuneration of previous year (Rs.)	Median remuneration of current year (Rs.)	% increase
5,08,003	5,61,101	10.45%

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

There were 548 (Five Hundred & Forty Eight only) employees as on 31st March, 2024.

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

Sl. No.	Particulars	Average % increase
1.	Increase in salary of Managerial Personnel	3.31 % (Approx.) in PMS 2023-24
2.	Increase in salary of employee (other than Managerial Personnel)	8.12 % (Approx.) in PMS 2023-24

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

Yes it is confirmed.

Place : Kolkata

For and on behalf of Srei Equipment Finance Limited

Date : 24.07.2024

**Sd/-
N. Sivaraman
Chairman**

SREI Equipment Finance Limited

PARTICULARS OF EMPLOYEES

Information pursuant to Section 197(12) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March, 2024

List of top 10 (Ten) employees of the Company in terms of the remuneration drawn and names of every employee who was employed for throughout and part of the year and was in receipt of remuneration exceeding the limits laid down in the Companies Act, 2013 -

Sl. No.	Name	Designation	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1.	Mr. Devendra Kumar Vyas	Chief Business Officer	2,45,58,797	B. Com, CA	32	55	01.04.1997	G P Agrawal & Co., Chartered Accountants (Partner)	NIL
2.	Mr. Ganesh Prasad Bagree	CEO-Financial Solution Group	87,20,454	B. Com , CA	31	55	19.06.2008	ICICI Winfra (AGM)	NIL
3.	Mr. Manoj Kumar Beriwala	Chief Financial Officer	77,78,084	FCA	29	52	05.12.1995	G.P Agarwal & Co (Manager)	NIL
4.	Mr. B.C. Bhandari	Senior Vice President	71,93,444	B.Com , FCA , ACS	33	57	25.02.2021	Waaree Group (Solar Panel), Mumbai as CFO	NIL
5.	Mr. Binay Kumar Mishra	Senior Vice President	70,95,481	LLB	20	44	05.08.2021	Capri Global Capital Ltd, Senior Vice President	NIL
6.	Mr. Rajesh Agarwal	Senior Vice President	70,33,088	B. Com , CA	27	51	17.06.2008	ICICI Bank Ltd (Regional Head – Operation)	NIL
7.	Mr. Sandeep Kumar Ghosh	Head	70,09,537	B. Com , PGDBM	29	53	01.10.2013	Tata AIG Life (VP & National Account Head)	NIL
8.	Mr. Vinod Kumar Dubey	Head	67,82,563	CA, CS	34	58	16.01.2014	Balrampur Chini Mills Ltd, Senior General Manager – Taxation	NIL
9.	Mr. Sibadatta Mohanty	Senior Vice President	60,62,561	B.Sc, MBA	30	53	03.12.2007	Tata Motor Finance (Regional Manager Collection)	NIL

SREI Equipment Finance Limited

Sl. No.	Name	Designation	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
10.	Mr. Yogesh Kajaria *	Chief Financial Officer	59,33,547	B. Com , CA	26	49	03.09.2001	Web Valley Softwares (Founder of the Company)	NIL

*Employed for part of the year

Notes:

- (a) Remuneration includes Basic Salary, House Rent Allowance (HRA), Special Allowance, Super Annuation Allowance, Commission, Ex-gratia, Leave Travel Allowance (LTA), Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to NPS, Incentives and other Perquisites.
- (b) Nature of Employment and duties: Contractual and in accordance with terms and conditions as per Company's rules and policies.

Place : Kolkata

For and on behalf of Srei Equipment Finance Limited

Date : 24.07.2024

Sd/-
N. Sivaraman
Chairman

SREI Equipment Finance Limited

Srei Equipment Finance Limited Corporate Codes & Policies – FY 2023-24

The Summary of Key Statutory Codes & Policies are as follows:-

Sl. No.	Name of the Code and Policy	Salient Features	Web Link
1.	Related Party Transactions Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.	https://www.srei.com/sefl-corporate-policies/SEFL_Related_Party_Transaction_Policy.pdf
2.	Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel (KMPs) and other employees.	https://www.srei.com/sefl-corporate-policies/Nomination_and_Remuneration_Policy.pdf
3.	Corporate Governance Framework	The policy provides the framework for Corporate Governance so that executives act in accordance with the highest standards of governance while working for and on behalf of the Company.	https://www.srei.com/sefl-corporate-policies/SEFL_Corporate-Governance_Framework.pdf
4.	Code of Conduct for Board of Directors and Senior Executives	To deter wrongdoing and promote ethical conduct in the Company.	https://www.srei.com/sefl-corporate-policies/SEFL-Code-of-Conduct-for-Board-of-Directors-and-Senior-Executives.pdf
5.	Policy on Board Diversity	The Policy sets out the approach to diversity on the Board of Directors of the Company.	https://www.srei.com/sefl-corporate-policies/SEFL_Policy_on_Board_Diversity.pdf
6.	Policy on “Fit and Proper” Criteria for Directors	The Policy sets a framework to determine whether a Director is fit and proper to hold such position in the Company.	https://www.srei.com/sefl-corporate-policies/SEFL_Fit_and_Proper_criteria_for_Directors.pdf

SREI Equipment Finance Limited

Sl. No.	Name of the Code and Policy	Salient Features	Web Link
7.	Whistle Blower Policy	The Company has adopted a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	https://www.srei.com/sefl-corporate-policies/Whistle_Blower_Policy.pdf
8.	Grievance Redressal Policy	To minimize instances of customer complaints and grievances.	https://www.srei.com/sefl-corporate-policies/Grievance_Redressal_Policy.pdf
9.	Investment Policy	The Policy lays down, inter alia, the guidelines to be followed by the Credit and Investment Committee to approve investments.	–
10.	Policy on Prevention of Sexual Harassment	This policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.	https://www.srei.com/sefl-corporate-policies/SEFL_Policy_on_Prevention_of_Sexual_Harassment.pdf
11.	Risk Management Policy	The Policy aims at outlining the various types of Risk faced by the Company as a Systematically Important NBFC and the policy seeks to set out the guidelines, principles and approach for risk management in the company and put in place a robust framework to identify, assess, measure, control and monitor various risks in a timely, efficient and an effective manner.	–

SREI Equipment Finance Limited

Srei Equipment Finance Limited

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

Further, on October 19, 2023 RBI has issued circular under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) pursuant to which the NBFCs have to furnish additional disclosure in its Financial Statements in addition to and not in substitution of the disclosure requirements specified under other Laws, Regulations, or Accounting and Financial Reporting Standards. With respect to the Corporate Governance Report, Non-Listed NBFCs should also endeavour to make full disclosure in accordance with the Requirement of SEBI (LODR) Regulation, 2015. Non-Listed NBFCs at the minimum should make disclosure on its Corporate Governance practices adapted under the Corporate Governance section of the Annual Report.

As your Company has always prioritised good Corporate Governance Practices and have endeavoured to make complete disclosure, to enhance transparency for ensuring maximization of Stakeholders' sustainable value, your Company is presenting the Corporate Governance Report forming part of the Annual Report for the Financial Year 2023-24 in terms of the RBI Circular dated October 19, 2023, issued under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The disclosures on the Corporate Governance practices adapted by your Company during the Financial Year under review are as follow:

Section II

(Applicable for annual financial statements of NBFC-ML and NBFC-UL)

A) Corporate governance

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Paragraph C of Schedule V - Annual Report) as amended from time to time, specifies disclosures to be made in the section on the corporate governance of the Annual Report. With respect to the corporate governance report, non-listed NBFCs should also endeavor to make full disclosure in accordance with the requirement of SEBI (LODR) Regulation, 2015. Non-listed NBFCs at the minimum should disclose following under the corporate governance section of the annual report.

1) Composition of the Board (F.Y. 2023-24)

Sl. No.	Name of Director	Director since	Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr. Avinash Kulkarni	February 26, 2024	Nominee Director (Category - Non-Executive & Non-Independent	02982164	2	2	2	NA	NA	NA	NA
2	Mr. P. Santhosh	February 26, 2024	Nominee Director (Category - Non-Executive & Non-Independent	08515964	2	2	2	NA	NA	NA	NA
3	Mr. N. Sivaraman	February 26, 2024	Additional Director (Non-Executive & Independent)	00001747	2	2	10	NA	Rs. 2,00,000	NA	NA
4	Mr. SharadKumar Bhatia	February 26, 2024	Additional Director (Non-Executive & Independent)	07327383	2	2	NA	NA	Rs. 2,00,000	NA	NA
5	Ms. Neeta Mukerji	February 26, 2024	Additional Director (Non-Executive & Independent)	00056010	2	2	1	NA	Rs. 2,00,000	NA	NA

Details of change in composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Effective date	FY 2022-23	FY 2023-24
1	Mr. Avinash Kulkarni	26.02.2024	The Company was under CIRP. The Board was superseded. There was no Board during the Financial Year	In terms of the Approved Resolution Plan, the Board was re-constituted on February 26, 2024, and Mr. Kulkarni was appointed
2	Mr. P. Santhosh	26.02.2024	The Company was under CIRP. The Board was superseded. There was no Board during the Financial Year	In terms of the Approved Resolution Plan, the Board was re-constituted on February 26, 2024, and Mr. Santhosh was appointed.
3	Mr. N. Sivaraman	26.02.2024	The Company was under CIRP. The Board was superseded. There was no Board during the Financial Year	In terms of the Approved Resolution Plan, the Board was re-constituted on February 26, 2024, and Mr. Sivaraman was appointed
4	Mr. SharadKumar Bhatia	26.02.2024	The Company was under CIRP. The Board was superseded. There was no Board during the Financial Year	In terms of the Approved Resolution Plan, the Board was re-constituted on February 26, 2024, and Mr. Bhatia was appointed
5	Ms. Neeta Mukerji	26.02.2024	The Company was under CIRP. The Board was superseded. There was no Board during the Financial Year	In terms of the Approved Resolution Plan, the Board was re-constituted on February 26, 2024, and Ms. Mukerji was appointed.

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed: **Not Applicable**

Details of any relationship amongst the directors inter-se shall be disclosed

2) Committees of the Board and their composition

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

ii. For each committee provide the following details.

Audit Committee

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. SharadKumar Bhatia	February 26, 2024		Nil	Nil	Nil
2	Ms. Neeta Mukerji	February 26, 2024		Nil	Nil	Nil
3.	Mr. Avinash Kulkarni	February 26, 2024		Nil	Nil	Nil

Nomination & Remuneration Committee

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Ms. Neeta Mukerji	February 26, 2024		Nil	Nil	Nil
2.	Mr. N. Sivaraman	February 26, 2024		Nil	Nil	Nil
3.	Mr. SharadKumar Bhatia	February 26, 2024		Nil	Nil	Nil

Information Technology Strategy Committee

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. N. Sivaraman	February 26, 2024		Nil	Nil	Nil
2.	Mr. P. Santhosh	February 26, 2024		Nil	Nil	Nil
3.	Mr. Avinash Kulkarni	February 26, 2024		Nil	Nil	Nil

Risk Management Committee

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Shamik Roy	February 26, 2024		Nil	Nil	Nil
2.	Mr. P. Santhosh	February 26, 2024		Nil	Nil	Nil

Stakeholders' Relationship Committee

Sl. No.	Name of Member	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. P. Santhosh	March 28, 2024		Nil	Nil	Nil
2.	Mr. Vikash Agarwal	March 28, 2024		Nil	Nil	Nil
3.	Mr. Sumit Kumar Surana	March 28, 2024		Nil	Nil	Nil

3) General Body Meetings

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special Resolutions Passed
1	Annual General Meeting	28.09.2023 SREI TOWER, PLOT NO. Y-10, BLOCK EP, SECTOR V, SALT LAKE CITY, KOLKATA – 700 091	Nil

4) Details of non-compliance with requirements of Companies Act, 2013				
Give details and reasons of any default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.				
Sl. No.	Non Compliance under Companies Act 2013			
1	CSR not spent*		Pursuant to Section 135(5) of the Companies Act, 2013, the Company has not transferred the unspent amount of Rs, 52,250,332/- w.r.t. CSR contribution to a Fund specified in Schedule VII of the Companies Act, 2013 due to the establishment of Trust and Retention Account (TRA) whereby all the business payments of the Company were controlled by the Bankers and the Company had no control on its cash flows. The Company has sent various intimations in this regard to the MCA.	
2	Non Appointment of CEO		Pursuant to Section 203(1) of the Companies Act, 2013, the Company needs to have a Chief Executive Officer. However, pursuant to orders dated 8th October, 2021 of the National Company Law Tribunal, Kolkata Bench ("NCLT"), corporate insolvency resolution process ("CIRP") has been initiated against the Company, as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Shri Rajneesh Sharma has been appointed as the Administrator for the Company. Accordingly, as per the provisions of MCA General Circular No. 08/2020 dated March 6, 2020, the MCA returns being filed by the Company were being signed by the Administrator in the capacity of the CEO of the Company. However, the CEO was duly appointed on March 16, 2024	
3	Filing of Form IEPF 1		The Company was unable to file IEPF Forms and transfer the amount to IEPF Pre and Post CIRP due to ongoing CIRP process. There were 7 IEPF transfers pending, out of which 4 IEPF transfers have been duly completed after NCLT order and we are in process of transferring the remaining 3.	
5) Details of penalties and strictures				
NBFCs should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority.				
Sl No.	Statutory Authority	Non Compliance under which penalty levied	Amount	Remarks
1	BSE LIMITED*	Due to late submission of Quarterly Financial Result for the period ended 30th September, 21.	2,30,000	The results were published on 17th Dec, 21. There was a delay of 32 days and we paid Rs. 2,30,000/- as penalty/fine to BSE.
2	BSE LIMITED* NATIONAL STOCK EXCHANGE OF INDIA LIMITED	Non Compliance of Reg 50(1) of SEBI(LODR) Reg 2015	5900	Email from BSE and NSE has been received by the Company during the Quarter, imposing Penalty of 5900/- individually for non - compliance under Regulation 50(1) of SEBI LODR. A reply was made to BSE and NSE along with the copy of the said intimation and acknowledgement copy that the said intimation was duly made in its specified time, hence penalty levied was not applicable to the Company. Further, we have not received any further communication regarding the said matter from either Exchange. NSE had reversed the fine vide letter dated August 09, 2023
3	SECURITIES EXCHANGE BOARD OF INDIA(SEBI)	Breach of Reg 51(2) of SEBI(LODR) Regulations 2015. Failure of Disclose to the Stock Exchanges the Interim Order passed by Hon'ble National Company Law Appellate Tribunal w.r.t. the Scheme of Arrangement	5,00,000	The payment of this penalty is pending which is subject to the outcome of appeal filed by SEBI before Hon'ble Supreme Court in the matter of SEBI vs. Dewan Housing Finance Corporation Ltd.

* These fines and liabilities were extinguished w.e.f. August 11, 2023 pursuant to the NCLT Order, approving the Resolution Plan submitted by NARCL.

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INDEPENDENT AUDITORS' REPORT

To

The Members of Srei Equipment Finance Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS Financial Statements of **Srei Equipment Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows, and Notes to the Ind AS Financial Statements, including a summary of Material accounting policies and other explanatory information (hereinafter referred to as the "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects/possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Qualified Opinion

- a. Property, Plant and Equipment includes assets having gross book value of Rs. 5,070 lakhs and written down value of Rs. 525 lakhs as on March 31, 2024 are either not in possession of the company or not physically found by the company. No provision for the same has been made in accounts.

As informed by the Company, the management has initiated legal proceedings for recovery of the Property, Plant and Equipment against the assets not in the possession of the Company having gross book value Rs. 4,795 lakhs and written down value of Rs. 518 lakhs as on March 31, 2024. Further, as also informed to us by the management of the company, for the other items of PPE having gross book value Rs. 275 lakhs and written down value of Rs. 7 lakh as on March 31, 2024, the management is in the process of reverification regarding the availability of these assets. Accordingly, we are unable to comment on the impact of the same, if any, on the Ind AS Financial Statements.

We have issued a disclaimer of Opinion report on the basis of above matters in preceding year ended 31st March 2023.

- b. Intangible assets having gross book value of Rs. 835 lakhs and written down value of Rs.165 lakhs as on March 31, 2024 are not accessible for use to the company. No provision for the same has been made in accounts. As informed to us by the management of the company, the

management is in the process of reverification regarding the usability of these assets. Accordingly, we are unable to comment on the impact of the same, if any, on the Ind AS Financial Statements.

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

Material Uncertainty Related to Going Concern

We draw attention to Note No. 66 to the Ind AS Financial Statements which states that the Company has been admitted to CIRP and the resolution plan of National Asset Reconstruction Company Limited ("NARCL") has also been approved by Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") on August 11, 2023. However, the Company has reported net loss during the year ended March 31, 2024, and earlier year/periods as well. As a result, the Company's net worth has fully eroded and it has not been able to comply with various regulatory ratios/limits etc. All this has impacted the Company's ability to continue its operations in normal course in future. These events or conditions, along with other matters, indicate that there is a material uncertainty which casts significant doubt about the Company's ability to continue as a 'going concern' in the foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Ind AS Financial Statements on a going concern basis.

Emphasis of Matter

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

- a. Note No. 2.1 (ii) to the Ind AS Financial Statements which describes the significant changes made during the year as a result of implementation of the approved resolution plan.
- b. Note No. 62 to the Ind AS Financial Statements which describes the various steps undertaken for implementation of the resolution plan approved by Hon'ble NCLT vide its order dated August 11, 2023 in the Ind AS Financial Statements.
- c. Note No. 65 to the Ind AS Financial Statements which states that the Company on the basis of abundant prudence, has decided to make provision to the extent of interest income recognised during the respective period on Net Stage - III accounts and made additional provision to the extent of IRAC provision as a Management overlay in ECL.

Our opinion on the Ind AS Financial Statements is not modified in respect of the above-stated matters.

Other Information

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

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

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other

information is materially inconsistent with the Ind AS Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for the Ind AS Financial Statements

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

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

The Administrator, after adopting proper procedure, had filed applications for consolidated resolution process before the Hon'ble National Company Law Tribunal- Kolkata Bench (Hon'ble NCLT) in the case of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021). The application in this matter was admitted and the final order was received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited.

The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The resolution plan of NARCL approved by Consolidated Committee of Creditors (CoC) was filed before Adjudicating Authority on February 18, 2023, for its approval and the same was approved by Hon'ble NCLT vide its Order dated August 11, 2023.

In terms of the resolution plan approved by Hon'ble NCLT order dated August 11, 2023, an Implementation and Monitoring Committee ("IMC") had been constituted which was empowered to supervise the implementation of the approved resolution plan and oversee the management of the affairs of the Company as per the terms of the approved resolution plan. The IMC in its meeting dated August 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and vide IMC resolution dated August 17, 2023 authorized him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the approved resolution plan. IMC stands dissolved and the Board of the Company was re-constituted on February 26, 2024, to take charge of the affairs of the Company.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting

Standards specified under section 133 of the Act. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with in this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements - Refer Note 34 to the Ind AS Financial Statements.
- ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
- iii. The Company has disclosed the amount required and amount pending to be transferred to the Investor Education and Protection Fund by the Company in its Ind AS Financial Statements - Refer Note 68 to the Ind AS Financial Statements.
- iv.
 - a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 to the Ind AS Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 44 to the Ind AS Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.
 - a) Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
 - I. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software’s i.e., Oracle, used for maintaining the books of account. Consequently, we were unable to verify the integrity of the audit trail throughout the year.
 - b) Further, based on our examination, the company has used accounting softwares which is operated by a third-party software service provider, for maintaining its books of account. In absence of ‘Right to Audit’ clause in the agreements entered with the third party software service provider, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant

transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

- vii. The remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For J. Kala & Associates

Chartered Accountants

ICAI Firm Registration No. 118769W

For Dass Gupta & Associates

Chartered Accountants

ICAI Firm Registration No. 000112N

Jayesh Kala

Partner

Membership No. 101686
UDIN:24101686BKAJVN8407

Place: Mumbai
Date: 28/05/2024

Raaja Jindal

Partner

Membership No. 504111
UDIN:24504111BKBOFG4220

Place: Mumbai
Date: 28/05/2024

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Srei Equipment Finance Limited ("the Company") on the Ind AS Financial Statements for the year ended March 31, 2024]

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i)
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of physical verification of property, plant and equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the said program, during the year, certain Property, Plant and Equipment of the Company have been physically verified by the management and material discrepancies were noticed on such verification.

Further, the company has provided us with Physical Verification Reports (Reports) and the Fixed Asset Register (FAR) as on March 31, 2024. As per the Reports and FAR, it has been observed that Property, Plant and Equipment includes assets having Gross Book Value of Rs 50,69,74,266/- and Written Down Value of Rs 5,25,12,312/- are either not in possession or not physically found by the company and the company did not have access to use Intangible assets having Gross Block Rs 8,34,54,950/- and Written Down Value of Rs 1,64,48,280/- as on March 31, 2024. As informed by the Company, the management has initiated legal proceedings for recovery of the Property, Plant and Equipment against the assets not in the possession of the Company against which legal proceedings are pending. As informed to us by the management of the company, for the other items of PPE and intangibles Assets the management is in the process of reverification regarding the availability and usability of these assets. Accordingly, we are unable to comment on the impact of the same, if any, on the Ind AS Financial Statements. The details of discrepancies are as under:

Particulars	No of Assets	Gross Book Value As on 31.03.2024	WDV as on 31.03.2024
Asset not in Company's possession	2,760	47,95,26,043	5,18,27,125
Asset not physically found	639	2,74,48,223	6,85,186
No access to use the Softwares	2	8,34,54,950	1,64,48,280
Total	3,401	59,05,64,265	6,89,60,591
% to Owned Assets other than Land and Building		20.47%	4.32%

- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease

agreements are duly executed in favour of the lessee) as disclosed in the Ind AS Financial Statements are held in the name of the Company except for the title deeds of following immovable properties:

Description of property	Gross carrying value (INR in Lakhs)	Held in name of	Whether promoter, director or their relative or employee*	Period held	Reason for not being held in name of Company
Building	3,883	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since October-2019	Refer Note 1 below
Building	12.14	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since October-2019	
Building	7.77	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since January 2008	
Building	51.30	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since January 2008	
Land	3.65	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since January 2008	
Building	2.20	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since October-2019	
Land	11,800	Murti Housing and Finance Private Limited	No	Since September-2017	Refer Note 2 below
Land	1,065	Deccan Chronicle Secunderabad Private Limited and Deccan Chronicle Rajahmundry Private Limited	No	Since June-2018	
Land	1,255	Krystine Vintrade Private Limited Balanced Dealers Private Limited Shivdhan Sales Private Limited Wellknown Vinimay Private Limited Malank Dealtrade Private Limited Balanced Commotrade Private Limited Kavya Dealmark Private Limited Alaukik Commercial Private Limited Kripa Dealmark Private Limited	No	Since March-2016	
Land & Building	2,400	Kakarlapudi Venkata Madhava Varma Raj kumar Pandey Sri Kothapalli Vijaya Gajapthi Subba Rayudu	No	Since September-2015	
Building	57	Sierra Constructions Private Limited	No	Since September-2016	
Land	255	Kabbalamma, Smt. Sukanya & Sri Prasanna represented by	No	Since September-2015	

		constituted attorney holder Sri L. Chandrasekhar		
Building	3,200	Wianxx Impex Private Limited	No	Since September-2017 December-2017 March-2018 June-2018
Land	342	Apex Encon Projects Pvt Ltd	No	Since March-2014 September 2014
Land	1,031	Yatin Vintrade Pvt Ltd Sanyam Tradelink Pvt Ltd SPK Food Product Pvt Ltd Original Distributors Pvt Ltd Jalram Tradeling Pvt Ltd Amardhan Mercantile Pvt Ltd Shivdhara Vintrade Pvt Ltd Overtop Vincom Pvt Ltd Oviation Marketing Pvt Ltd Safal Commodity Pvt Ltd	No	Since December-2014 June 2015
Land	124	S Kandhswamy	No	Since March-2013
Land	1,600	Abhijit Technochem Limited	No	Since December-2014
Land	1,223	Cherry Dealers Pvt Ltd Preview Dealers Pvt Ltd Famous Suppliers Pvt Ltd Juhi Telecom Pvt Ltd Sarvopriya Tradecom Pvt Ltd Swarnabhumi Vanijya Pvt Ltd Shaktiman Commercials Pvt Ltd	No	December-2014 June 2015 September 2015
Land	1,050	Navaj Constructions Pvt Ltd Kripa Educational Institutions Pvt Ltd Aparajitha Institutions Swatantra Infrastructure Pvt Ltd Jeeet Projects	No	Since December-2014
Land	335	Kodur Developers Sahas Infradevelopers Trigya Infradevelopers Darpan House Pvt Ltd Lahar Infrastructure Pvt Ltd Marg Properties Pvt Ltd Trijal Infrastructures Pvt Ltd	No	Since December-2014
Land	115	Pathang Constructions Pvt Ltd	No	Since December-2014

		Kodure Deveopers Pvt Ltd		
Land	1,209	Udant Vintrade Pvt Ltd Pinkrose Vinimay Pvt Ltd Linkplan Shoppers Pvt Ltd Swarnaganga Vinimay Pvt Ltd Virat Vintrade Pvt Ltd Memorable Vincom Pvt Ltd Forever Tradecomm Pvt Ltd	No	Since December-2014 June 2015
Building	835	B Ravi Kalyan Reddy	No	Since June-2013
Land	440	Sudesh Shriram Mallik Siddharth Sriram Malik	No	Since December-2014
Land and Building	98	Binod Kumar Singh Binod Singh Constructions Pvt Ltd	No	Since May-2017

Note 1 - These immovable properties were transferred to the Company pursuant to the Business Transfer Agreement ('BTA') dated 16th August 2019 (Refer Note No. 62 to the Ind AS Financial Statements) and scheme of arrangement dated 04th March 2008 entered by the Company with its Holding Company, SIFL.

Note 2 - These immovable properties were acquired in lieu of discharge of debts as represented by the Management. Due to procedural issues, title deeds are still not registered in the name of the Company.

*the period held is considered from the date of credit given to the customer.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
- (e) As informed to us, to the best of the knowledge of the management of the Company, no proceedings have been initiated or are pending against the Company as at March 31, 2024 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder ('Benami Act'). However, in absence of independent confirmations from the legal counsels/lawyers of the Company with regards to the same, we are unable to report whether any proceedings have been initiated or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Act.
- (ii)
- (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.
- (b) According to the information and explanations given to us and the records examined by us the Company has not been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate from banks and/or financial institutions, on the basis of security of current assets and hence reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) As explained in note no. 1 to the Ind AS Financial Statements, the Company is a Non-Deposit-Taking but systematically important Non-Banking Financial Company ('NBFC') now known as NBFC-middle layer (NBFC-ML) registered with the Reserve Bank of India ('RBI') and as a part of its business activities is engaged in the business of lending loans. During the

year, in the ordinary course of its business, the Company has not made any investments in, provided guarantee/security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties.

With respect to such investments, guarantees/security and loans and advances:

- (a) The Company's principal business is to give loans and therefore, reporting under clauses (iii)(a) and (e) of paragraph 3 of the Order are not applicable.
- (b) During the year, the Company has not made investment (other than investments acquired by the Company through conversion of loan assets and existing investments), provided any guarantee (other than renewal of existing guarantee) or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii)(b) of paragraph 3 of the Order is not applicable.
- (c) The schedules of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans have been stipulated in the normal course of business. The aggregate amount of loan outstanding for INR 24,654 Crores as at March 31, 2024 which are irregular in repayment of principal or payment of interest. In view of the nature of business and volume of transactions, it is not practicable to provide the number of cases for the same. As required by various directions for NBFCs issued by Reserve Bank of India and Indian Accounting Standards (Ind AS), the Company has made required disclosures in Note No. 6 to the Ind AS Financial Statements and note 1 of Annexure I to the Ind AS Financial Statements regarding asset classifications.
- (d) In respect of loans and advances in the nature of loans which are overdue for more than ninety days as at March 31, 2024, the aggregate amount of loan outstanding as at March 31, 2024 is INR 23,959 Crores. In view of the nature of business and volume of transactions, it is not practicable to provide number of cases for the same. As required by various directions for NBFCs issued by Reserve Bank of India and Indian Accounting Standards (Ind AS), the Company has made required disclosures in Note No. 6 to the Ind AS Financial Statements and note 1 of Annexure I to the Ind AS Financial Statements regarding asset classifications. Further, the Company has taken reasonable steps for recovery thereof in the normal course of business.
- (e) As informed to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) During the year, the Company has not granted any loans, made investment in (other than investments acquired by the Company through conversion of loan assets and existing investments), or provided guarantee (other than renewal of existing guarantee) and security. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable. Further, the provisions of Section 186, except for Section 186(1) of the Act are not applicable to the Company as it is engaged in the business of financing.
- (v) The Company is a Non-Banking Finance Company registered with the Reserve Bank of India to which the provisions of sections 73 to 76 of the Act and the relevant rules made there under are not applicable. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable.

(vii)

- (a) The Company has generally been regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, cess and other material statutory dues applicable to it, to the appropriate authorities. As explained to us, the Company does not have any dues on Duty of Customs, Cess and any other material statutory dues applicable to it.

Further, as mentioned in Note No. 1.2 and Note No. 62 of the Ind AS Financial Statements, pursuant to the approved resolution plan, no amount was payable to the statutory authorities against their dues and accordingly, all such dues were extinguished. Therefore, no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues in arrears as of 31 March 2024, for a period of more than six months from the date they became payable.

- (b) As per the information and explanation provided by the management of the Company, there are no statutory dues which have not been deposited on account of any dispute. As mentioned in Note No. 1.2 and Note No. 62 of the Ind AS Financial Statements, no amount was payable to the statutory authorities pertaining to any preceding periods pursuant to the approved resolution plan, accordingly, all the disputed statutory liabilities have been extinguished and accordingly, there is no amount to disclosed under this clause for the year ended March 31, 2024.

(viii)

According to the information and explanations given to us, there were no transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in tax Assessments under the Income Tax Act, 1961 (43 of 1961). Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

(ix)

- (a) As stated in Note No. 1.2 and Note No. 62 of the Ind AS Financial Statement, the Company was admitted to CIRP on October 08, 2021 and accordingly due to the moratorium imposed as per the Code, no payments could be made thereafter to the creditors, until the approval of resolution process is concluded. The resolution plan was approved by Hon'ble National Company Law Tribunal ("NCLT"), Kolkata bench on August 11, 2023. Pursuant to the approved resolution plan, payments have been made to all the lenders, new instruments were issued and remaining liabilities have been extinguished as provided in the approved resolution plan. Hence, for the purpose of reporting under this clause, the company has not defaulted in repayment of any loans or other borrowings or in payment of interest to any lenders existing as on March 31, 2024.

Regarding the details of default and period of delay of period before the date of approval of resolution plan, since moratorium was imposed as per the Code, no payments could be made thereafter to the creditors, until the resolution process is concluded. Hence, for the purpose of reporting under this clause, claims outstanding and accepted has been considered and since the borrowings including interest are overdue and in continuing default as on date of approval of resolution plan i.e., August 11, 2023, therefore, we are unable to provide the periods of default:

Particulars	Outstanding amount * (INR In Lakhs)	Period of default
Name of the Lenders:		
Axis Bank Limited	8,320.63	Refer comments above
Bank of Baroda	2,15,181.42	
Bank of India	97,140.72	
Bank of Maharashtra	60,988.64	
Canara Bank	3,15,607.45	
Central Bank of India	1,25,197.84	
Dhanlaxmi Bank Limited	8,478.08	
HDFC Bank Limited	21.36	
ICICI Bank Limited	24.82	
IDBI Bank Limited	40,604.32	
Indian Bank	2,03,138.15	
Indian Overseas Bank	64,165.88	
Karnataka Bank Limited	1,264.68	
The Karur Vysya Bank Limited	1,841.07	
Lakshmi Vilas Bank	10,575.17	
Punjab and Sind Bank	1,30,047.71	
Punjab National Bank	2,93,444.90	
South Indian Bank Limited	6,626.11	
State Bank of India	2,80,658.78	
UCO Bank	1,06,613.11	
Union Bank of India	2,69,197.64	
IFCI Limited	19,020.20	
Small Industries Development Bank of India (SIDBI)	1,00,208.66	
National Bank for Agriculture and Rural Development (NABARD)	88,363.31	
Toyota Financial Services India Limited	38.19	
Nicco Engineering Services Limited	106.00	
Non - Convertible Debentures	5,05,577.39	
External Commercial Borrowings	2,26,917.15	
Deferred Payment Liabilities	9,122.65	
Candor Kolkata One Hi-Tech Structures Pvt Ltd.	5,043.59	

* outstanding amount includes amount outstanding as on October 8, 2021 and further amended based on the claims received under CIRP (up to August 11, 2023), that are accepted and accounted for in the books of accounts as at August 11, 2023. Refer Note No. 62 to the Ind AS Financial Statements.

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority. (Refer Note No 41 of the Ind AS Financial Statement).

- (c) In our opinion and according to the information and explanations provided to us, the Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) According to the information and explanation given to us, the Company did not obtain any money by way of short-term loans during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (e) During the year ended March 31, 2024, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order whether the company has taken any funds from any entity or persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable.
- (f) During the year ended March 31, 2024, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.
- (x)
 - (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
 - (b) As stated in Note No. 1.2 and 62 of the IND AS Financial Statement of the Company, the company has made private placement of compulsory convertible preference shares and optionally convertible debentures during the year. All the issuance of new instruments has been made by the company as per terms of the approved resolution plan approved by Hon'ble NCLT, Kolata Bench on August 11, 2023. However, Hon'ble NCLT vide its order dated 11.08.2023 granted relief that no further actions and requirements (including procedural requirement prescribed under the Companies Act, 2013), approval, application or consent shall be necessary on part of the Company for reconstitution of share capital and other actions set out in the approved resolution plan. Hence, all the conditions of section 42 and 62 of the Companies Act, 2013 have not been complied by the company.

Further, the company has utilized funds raised by way of private placement of compulsory convertible preference shares and optionally convertible debentures as specified in the approved resolution plan or for the purposes for which they were raised.

- (xi)
 - (a) As per the information and explanation provided to us, there has been no instance of fraud noticed during the year either by the Company or on the company. However, there were 2 cases of frauds on the Company amounting to Rs. 15,625 lakhs noticed during the financial year 2022-23 by the company based on transaction audit reports conducted by transaction auditor appointed by the Administrator of the Company and the same has been reported to Reserve Bank of India ("RBI") on various dates in FMR-1 during the financial year 2023-24. Also refer Note No. 56(v) to the Ind AS Financial Statements of the Company for the year ended March 31, 2024.
 - (b) No report under section 143(12) of the Act has been filed with the Central Government by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report. Further, as informed by the Company, the Secretarial Auditor of the Company have not filed any report under section 143(12) of the Act with the Central Government in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
 - (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of audit procedures.

- (xii) The Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in Note No. 47 to the Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors issued up to the date of this report, for the period under audit.
- (xv) As stated in Note No. 1.2 and 62 of the Ind AS Financial Statement, the Reserve Bank of India ('RBI') superseded the Board of Directors of the Company on October 4, 2021 and appointed an Administrator to carry out the function as per the IBC Code and that the management of the Company vest in the Administrator. Further, the RBI has also made an application for initiation of CIRP against the Company to Hon'ble NCLT, Kolkata bench for a consolidated CIRP process. The resolution plan has been approved by the Hon'ble NCLT , Kolkata bench on August 11, 2023. Pursuant to the approved resolution plan, the company has re-constituted its Board of Director on February 26, 2024. Accordingly, provisions of section 192 of the Act are not applicable to Company for the period April 1, 2023 to February 25, 2024.
- Further, according to the information and explanations given to us, in our opinion during the period on and after reconstitution of the Board of Director, the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, the reporting under clause xv of CARO, 2020 is not applicable.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without having a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. However, as on March 31, 2024, the net owned fund of the company has gone below the statutory requirement as per para 6 of Master direction- Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended).
- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order are not applicable.
- (d) In absence of specific confirmation from the management of the Company, we are unable to comment whether the Group to which the Company belongs has no CIC as part of its Group.
- (xvii) As per the information and explanation provided to us and based on our verification, the Company has incurred cash loss of Rs. 24,437 lakhs during the financial year covered under audit. However, in the immediately preceding financial year, we are unable to comment upon the clause (xvii) of paragraph 3 of the Order due to the "Disclaimer of Opinion" issued

by us vide our Independent Auditor's Report dated May 9, 2023 on the Ind AS Financial Statements of the Company for the year ended March 31, 2023.

- (xviii) There has been no resignation of the statutory auditors during the year under audit. Accordingly, the provisions stated in paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions. The Company's net worth has fully eroded and it has not been able to comply with various regulatory ratios/limits etc. All this has impacted the Company's ability to continue its operations in normal course in future. These events or conditions, along with other matters, causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx)
- (a) In respect of other than ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year in compliance with second proviso to section 135(5) of the said Act, details of which are as follows:

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

**Refer paragraph (j) of "Basis of Disclaimer of Opinion" section of our Independent Auditor's Report dated May 09, 2023 and Note No 62 of the Ind AS Financial Statement for the year ended March 31, 2024.*

However, pursuant to the approved resolution plan (refer Note No. 62 of the Ind AS Financial Statement) the aforesaid amount has been extinguished and accordingly, in respect of other than ongoing projects, the company is not liable to transfer any unspent Corporate Social Responsibility (CSR) amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year in compliance with second proviso to section 135(5) of the said Act.

- (b) As per the information and explanation provided to us, the Company is not liable to incur any CSR expenditure during the financial year 2023-24 u/s 135 of the Companies Act, 2013 as the company incurred losses during the current year and immediately preceding last three years. Accordingly, the Company does not have any CSR activities for “ongoing projects” in terms of section 135(6) of the Act. Therefore, reporting under clause (xx)(b) of paragraph 3 of the Order is not applicable.
- (xxi) During the year ended March 31, 2024, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (xxi) of paragraph 3 of the Order is not applicable.

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

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

Jayesh Kala
Partner
Membership No. 101686
UDIN:24101686BKAJVN8407
Place: Mumbai
Date: 28/05/2024

Raaja Jindal
Partner
Membership No. 504111
UDIN :-24504111BKBOFG4220
Place: Mumbai
Date: 28/05/2024

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls over financial reporting with reference to Ind AS Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS Financial Statements of Srei Equipment Finance Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Control

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding

of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For J. Kala & Associates

Chartered Accountants

ICAI Firm Registration No. 118769W

Jayesh Kala

Partner

Membership No. 101686

UDIN:24101686BKAJVN8407

Place: Mumbai

Date: May 28, 2024

For Dass Gupta & Associates

Chartered Accountants

ICAI Firm Registration No. 000112N

Raaja Jindal

Partner

Membership No. 504111

UDIN:24504111BKBOFG4220

Place: Mumbai

Date: May 28, 2024

SREI EQUIPMENT FINANCE LIMITED
Balance sheet as at March 31st, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31st, 2024	As at March 31st, 2023
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	30,789	2,52,639
(b) Bank Balance other than (a) above	4	2,841	18,169
(c) Receivables			
(i) Trade Receivables	5	109	146
(d) Loans	6	2,98,808	9,62,385
(e) Investments	7	34,068	63,740
(f) Other Financial Assets	8	2,854	65,697
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)	9	17,230	14,630
(b) Property, Plant and Equipment	10	69,729	1,22,338
(c) Right-of-use Assets	11	303	506
(d) Other Intangible Assets	12	313	541
(e) Other Non-Financial Assets	13	2,726	23,509
Total Assets		4,59,770	15,24,300
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables	14		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	190
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		80	6,224
(b) Debt Securities	15	2,97,597	2,59,944
(c) Borrowings (Other than Debt Securities)	16	525	26,69,340
(d) Subordinated Liabilities	17	6,236	2,62,458
(e) Lease Liabilities	11	352	636
(f) Other Financial Liabilities	18	31,031	14,766
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	19	-	13,635
(b) Provisions	20	153	15,329
(c) Other Non-Financial Liabilities	21	1,34,837	3,828
(3) EQUITY			
(a) Equity Share Capital	22	11,69,268	7,902
(b) Other Equity	23	(11,80,309)	(17,29,952)
Total Liabilities and Equity		4,59,770	15,24,300

Significant Accounting Policies and Notes to Financial Statements

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The Notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

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

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

For and on behalf of SREI Equipment Finance Limited

Jayesh Kala
Partner
Membership no. 101686

Raaja Jindal
Partner
Membership no. 504111

Avinash Kulkarni
Director
DIN No.02982164

P. Santhosh
Director
DIN No.08515964

Shamik Roy
Chief Executive Officer

Manoj Kumar Beriwalla
Chief Financial Officer

Sumit Surana
Company Secretary

SREI EQUIPMENT FINANCE LIMITED
Statement of Profit and Loss for the year ended March 31st, 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended	
		March 31st, 2024	March 31st, 2023
Revenue from Operations			
Interest Income	24	45,536	1,28,403
Rental Income		12,687	20,034
Fees and Commission Income		710	904
Net gain on fair value changes	25	-	1,825
Others	26	2,456	2,974
(I) Total Revenue from Operations		61,389	1,54,140
(II) Other Income	27	11,361	1,617
(III) Total Income (I+II)		72,750	1,55,757
Expenses			
Finance Costs	28	14,214	7,605
Fees and Commission Expense		1,578	1,018
Net loss on fair value changes	25	88,457	11,531
Net loss on derecognition of financial instruments under amortised cost category		803	5,567
Impairment on Financial Instruments (Net)	29	6,61,213	1,53,440
Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt		20,416	13,257
Employee Benefits Expenses	30	5,919	8,142
Depreciation, Amortisation and Impairment	10 to 12	30,461	43,304
Other Expenses	31	14,418	18,228
(IV) Total Expenses		8,37,479	2,62,092
(V) Profit/(Loss) Before Tax and Exceptional Items (III- IV)		(7,64,729)	(1,06,335)
(VI) Exceptional Items		-	10,15,593
(VII) Profit/(Loss) Before Tax after Exceptional Items (V- VI)		(7,64,729)	(11,21,928)
(VIII) Tax Expense:		-	-
(IX) Profit/(Loss) After Tax (VII-VIII)		(7,64,729)	(11,21,928)
(X) Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurements Gains/(Losses) on Defined Benefit Plan		(72)	(182)
B (i) Items that will be reclassified to Profit or Loss			
Gains/(Losses) on fair valuation of Loans		(229)	(719)
Other Comprehensive Income [A+B]		(301)	(901)
(XI) Total Comprehensive Income (IX+X)		(7,65,030)	(11,22,829)
(XII) Earnings per Equity Share (Face value of ₹ 10/- each)	32		
Basic (in ₹)		(1345.22)	(1419.87)
Diluted (in ₹)		(208.54)	(1419.87)

Significant Accounting Policies and Notes to Financial Statements

1-72

The Notes referred to above form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For J Kala & Associates

Chartered Accountants
ICAI Firm Registration No. 118769W

For Dass Gupta & Associates

Chartered Accountants
ICAI Firm Registration No. 000112N

For and on behalf of SREI Equipment Finance Limited

Jayesh Kala
Partner
Membership no. 101686

Raaja Jindal
Partner
Membership no. 504111

Avinash Kulkarni
Director
DIN No.02982164

P. Santhosh
Director
DIN No.08515964

Shamik Roy
Chief Executive Officer

Manoj Kumar Beriwal
Chief Financial Officer

Sumit Surana
Company Secretary

SREI EQUIPMENT FINANCE LIMITED
Statement of Cash Flows for the year ended March 31st, 2024

(₹ in Lakhs)

Particulars	Year ended	
	March 31st, 2024	March 31st, 2023
A. Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	(7,64,729)	(11,21,928)
Adjustments for:		
Depreciation, Amortisation and Impairment	30,461	43,304
Impairment on Financial Instruments (Net)	6,61,213	1,53,440
Impairment on Financial Instruments (Net) on Exceptional items	-	9,37,100
Net loss on derecognition of Financial Instruments	803	5,567
Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt	20,416	13,257
Net loss on derecognition of Property, Plant and Equipment	(988)	7,555
Liabilities no longer required written back	(380)	(304)
Finance Costs	14,214	7,605
Interest on Loans	(34,488)	(1,17,835)
Rental Income	(12,687)	(20,034)
Interest on Fixed Deposits with Banks	(9,998)	(9,617)
Interest income from Investment	(1,050)	(951)
Net unrealised fair value loss	72,776	9,706
Net unrealised fair value (gain) / loss on exceptional items	-	78,493
Operating profit/(loss) before working capital changes	(24,437)	(14,642)
Changes in working capital:		
Adjustments for:		
(Increase)/Decrease in Trade Receivables and Others Assets	566	6,312
(Increase)/Decrease in Loans Assets	43,403	57,956
Increase/(Decrease) in Trade Payables and Others Liabilities	(32,936)	(5,974)
(Increase)/Decrease in Other Bank Balances	14,852	1,369
Cash generated / (used) in operations	1,449	45,021
Finance Costs paid	(333)	(939)
Interest on Loans received	13,425	42,891
Rental income received	10,219	18,124
Interest on Fixed Deposits with Banks received	10,474	8,342
Interest income from Investment received	1,049	951
Advance taxes (paid)/refund (including Tax deducted at Source)	(2,602)	9,854
Net Cash generated / (used) in Operating Activities	33,681	1,24,243
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(102)	-
Sale/(Purchase) of Investments (Net)	6,543	367
Proceeds from Sale of Property, Plant and Equipment	4,808	10,945
Net Cash generated / (used) in Investing Activities	11,249	11,312
C. Cash Flows from Financing Activities		
Repayment on Debt securities (including subordinated debt securities) (Refer Note No.1.2 and 62)	(64,065)	-
Increase/(Decrease) in Working Capital facilities (Net) (Refer Note No.1.2 and 62)	(1,60,672)	-
Repayments of Other Borrowings (Refer Note No.1.2 and 62)	(42,044)	(10,798)
Net Cash generated / (used) in Financing Activities	(2,66,781)	(10,798)
Net Increase in Cash and Cash Equivalents (A+B+C)	(2,21,850)	1,24,758
Cash and Cash Equivalents at the beginning of the year	2,52,639	1,27,881
Cash and Cash Equivalents at the end of year (Refer Note No. 3)	30,789	2,52,639

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

(₹ in Lakhs)

Particulars	As at	
	March 31st, 2024	March 31st, 2023
Cash on hand	-	7
Balances with Banks - in Current Account	12,812	28,407
Balances with Banks - in Fixed Deposit Accounts having original maturity of upto 3 months	17,977	2,24,225
	30,789	2,52,639

Explanations:

The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'. This is the Statement of Cash Flows referred to in our report of even date.

For J Kala & Associates

For Dass Gupta & Associates

For and on behalf of SREI Equipment Finance Limited

Chartered Accountants
ICAI Firm Registration No. 118769W

Chartered Accountants
ICAI Firm Registration No. 000112N

Jayesh Kala
Partner
Membership no. 101686

Raaja Jindal
Partner
Membership no. 504111

Avinash Kulkarni
Director
DIN No.02982164

P. Santhosh
Director
DIN No.08515964

Shamik Roy
Chief Executive Officer

Manoj Kumar Beriwal
Chief Financial Officer

Sumit Surana
Company Secretary

SREI EQUIPMENT FINANCE LIMITED
Statement of Changes in Equity as at March 31st, 2024

A. Equity Share Capital

(₹ in Lakhs)			
Balance as at April 1st, 2023	Issued during the year*	Reductions during the year*	Balance as at March 31st, 2024
7,902	6,44,124	6,51,926	100

*Refer Note No.22.1.1

(₹ in Lakhs)			
Balance as at April 1st, 2022	Issued during the year	Reductions during the year	Balance as at March 31st, 2023
7,902	-	-	7,902

B. Other Equity

Particulars	Reserves and Surplus								Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
	Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)	Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Restructuring Reserve	Retained Earnings	Impairment Reserve				
Balance as at April 1st, 2023	40,822	15,770	2,403	1,97,084	39,824	-	(26,42,080)	6,15,996	229	-	-	(17,29,952)
Profit/(Loss) after tax for the year	-	-	-	-	-	-	(7,64,729)	-	-	-	-	(7,64,729)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(72)	-	(229)	-	-	(301)
Created in terms of the approved resolution plan	-	-	-	-	-	22,31,952	-	-	-	-	-	22,31,952
Transferred (from)/to retained earnings	-	-	-	-	-	(22,31,952)	(5,380)	5,380	-	-	-	(22,31,952)
Transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan	(40,822)	(15,770)	(2,403)	(1,97,084)	(39,824)	-	22,31,952	(6,21,376)	-	-	-	13,14,673
Balance as at March 31st, 2024	-	-	-	-	-	-	(11,80,309)	-	-	-	-	(11,80,309)

Particulars	Reserves and Surplus								Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
	Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)	Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Restructuring Reserve	Retained Earnings	Impairment Reserve				
Balance as at April 1st, 2022	40,822	15,770	2,403	1,97,084	39,824	-	(14,74,437)	5,70,463	948	-	-	(6,07,123)
Profit/(Loss) after tax for the year	-	-	-	-	-	-	(11,21,928)	-	-	-	-	(11,21,928)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(182)	-	(719)	-	-	(901)
Transferred (from)/to retained earnings	-	-	-	-	-	-	(45,533)	45,533	-	-	-	-
Balance as at March 31st, 2023	40,822	15,770	2,403	1,97,084	39,824	-	(26,42,080)	6,15,996	229	-	-	(17,29,952)

Refer Note No. 23 for nature and purpose of reserves.

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

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

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

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Chief Executive Officer

Manoj Kumar Beriwal
Chief Financial Officer

Sumit Surana
Company Secretary

SREI EQUIPMENT FINANCE LIMITED

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 Background and General Information

Srei Equipment Finance Limited ('the Company'), a wholly owned subsidiary of Srei Infrastructure Finance Limited, is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company had received a Certificate of Registration from the Reserve Bank of India ('RBI') on September 3, 2008 to commence / carry on the business of Non-Banking Financial Company ('NBFC') without accepting public deposits, classified as Non-Deposit taking Systemically Important NBFC(NBFC-NDSI) now known as NBFC- Middle Layer (NBFC- ML). Subsequently, the Company has been issued a new certificate by the RBI dated February 19, 2014 consequent to conversion from Private Limited Company to Public Limited Company. The principal business of the Company is financial services. The registered office of the Company and the principal place of business is "Vishwakarma", 86C, Topsia Road (South), Kolkata-700046.

The registration details are as follows:

RBI	N.05.06694
Corporate Identity Number (CIN)	U70101WB2006PLC109898

In terms of the approved resolution plan (Refer Note No.1.2), the Company's non-convertible debentures (NCDs) which were listed on either Bombay Stock Exchange Limited (BSE) or both BSE and National Stock Exchange of India Limited (NSE) had been delisted by both the Stock Exchanges i.e. BSE and NSE with effect from December 14, 2023.

These financial statements were approved for issue by the Board of Director of the Company on May 28, 2024.

1.2 Consolidated Resolution Plan

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

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

The Administrator, after adopting proper procedure, had filed applications for consolidated resolution process before the Hon'ble National Company Law Tribunal- Kolkata Bench (Hon'ble NCLT) in the case of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021).The application in this matter was admitted and the final order was received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited.

The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated COC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by COC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The resolution plan of NARCL approved by Consolidated Committee of Creditors (CoC) was filed before Adjudicating Authority on February 18, 2023 for its approval and the same was approved by Hon'ble NCLT vide its Order dated August 11, 2023.

In terms of the resolution plan approved by Hon'ble NCLT order dated August 11, 2023, an Implementation and Monitoring Committee ("IMC") had been constituted which was empowered to supervise the implementation of the approved resolution plan and oversee the management of the affairs of the Company as per the terms of the approved resolution plan. The IMC in its meeting dated August 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and vide IMC resolution dated August 17, 2023 authorised him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the approved resolution plan. IMC stands dissolved and the Board of the Company was re-constituted on February 26, 2024 to take charge of the affairs of the Company.

2. MATERIAL ACCOUNTING POLICIES

2.1 (i) Basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 ('the Act') along with other relevant provisions of the Act, – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (the "Master Directions") vide circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19,2023 ,as amended from time to time along with other instructions/ regulations/guidelines issued by RBI .

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

The preparation of these financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in Note No. 2.23 'Significant accounting judgements, estimates and assumptions'.

The management believes that the estimates used in the preparation of these financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known/ materialised.

The financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest Lakhs, except otherwise indicated.

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

The audited financial statements of the Company for the year ended March 31, 2024 have been taken on record by the by the Board of Directors of the Company on May 28, 2024. The IMC was dissolved and the Board was reconstituted on February 26, 2024 till that time the affairs of the Company were managed by IMC through the Administrator (acting as a chairman of the IMC). Earlier, since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial results of the Company as they existed on October 4, 2021. Regarding information pertaining to period prior to October 4, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by the Chief Financial Officer, Company Secretary, Chief Business Officer, Chief Risk Officer, Chief Compliance Officer and Legal Head ('the existing officials of the Company'), who were also part of the Company prior to the appointment of the Administrator.

The accounting policies for some specific items of financial statements are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 2.2 to 2.23.

2.1 (ii) Significant change in the reporting period

In terms of the resolution plan approved by Hon'ble NCLT order dated August 11, 2023, an Implementation and Monitoring Committee ("IMC") had been constituted which was empowered to supervise the implementation of the approved resolution plan and oversee the management of the affairs of the Company as per the terms of the approved resolution plan. The IMC in its meeting dated August 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and vide IMC resolution dated August 17, 2023 authorised him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the approved resolution plan. IMC stands dissolved and the Board of the Company was re-constituted on February 26, 2024 to take charge of the affairs of the Company.

The financial position and performance of the Company was particularly affected as a result of implementation of the approved resolution plan in the following items during the year ended March 31, 2024 :

- (i) All the existing reserves of the Company (other than retained earnings) has been transferred to restructuring reserves. (Refer Note no. 23)
- (ii) Reduction in equity share Capital and the net consideration payable on capital reduction has been transferred to restructuring reserve. (Refer Note no. 22 and 62)
- (iii) All identifiable assets and liabilities of the Company has been recorded at their respective fair value and difference, if any, between the fair value of identifiable assets and liabilities has been transferred to restructuring reserves. (Refer Note no. 10 and 62)
- (iv) After considering the above adjustment, the balance in restructuring reserve account has been transferred/adjusted to the retained earnings of the Company (Refer note no. 23)
- (v) Balance in retained earnings of the Company has been construed as free reserve for the purpose of the Companies Act 2013 and prescribed RBI guidelines. (Refer note no. 23)
- (vi) Any transaction cost incurred in relation to the implementation of the resolution plan has been recognized as expense in profit and loss account. (Refer note no. 31)
- (vii) There is an increase in impairment on financial instruments post reversal of impairment reserve as per RBI approval to give the effect to the resolution plan (Refer note no 29)
- (viii) The Company, on instructions of the IMC, has taken all necessary steps including making payments, to various stakeholders in terms of the approved resolution plan (Refer Note no. 14,15, 16, 17 and 62)
- (ix) All contingent liabilities on account of implementation of the resolution plan has been permanently extinguished, discharged and settled in term of approved resolution plan (Refer note no. 34)

2.2 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from Operations is recognised in the Statement of Profit and Loss on an accrual basis as stated herein below:

- (a) Interest income for financial assets other than those financial assets classified as at Fair value through profit or loss ("FVTPL") is recognised based on the effective interest rate method. Income from Credit Impaired Financial Assets is recognised on net basis i.e. after considering Impairment Loss Allowance. Interest Income for borrowers whose transactions are determined as fraudulent in nature by the Company is not recognised from the start of the quarter in which the same is determined as fraudulent.
- (b) Penal Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

- (c) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and Fair value through Other Comprehensive Income (“FVTOCI”) is recognised as discussed in Note No. 2.3.3.
- (d) Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.
- (e) Interest income on fixed deposits/margin money/pass through certificates is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (f) Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished or the rentals are structured solely to increase in line with expected general inflation to compensate for the Company’s expected inflationary cost increases.
- (g) Referral income is recognised when it becomes due under the terms of the relevant mutually agreed arrangement.
- (h) Fees and Commission Income other than those forming part of Interest income are recognised as revenue in the Statement of Profit and Loss, when the performance obligations are satisfied.
- (i) Income from dividend is recognised when the Company’s right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.
- (j) Income from joint controlled operation is recognised to the extent of the Company’s share in jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.
- (k) In case of assignment transactions, as the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is recorded as ‘Interest retained on pools assigned’ with corresponding gain recognised in the Statement of Profit and Loss.

2.3 Financial Instruments

Classification of Financial Instruments

The Company classifies its Financial Assets into the following measurement categories:

1. Financial Assets to be measured at amortised cost
2. Financial Assets to be measured at FVTOCI
3. Financial Assets to be measured at FVTPL

The classification depends on the contractual terms of the financial assets’ cash flows and the Company’s business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company’s business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors.

The business model assessment is based on reasonably expected scenarios without taking ‘worst case’ or ‘stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company’s original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at FVTPL or is required to measure liabilities at FVTPL such as derivative liabilities.

2.3.1 Recognition of Financial Instruments:

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments. Loans & advances and all other regular way purchases or sales of financial assets are recognised and derecognised on the trade date basis.

2.3.2 Initial Measurement of Financial Instruments:

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

2.3.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost:

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The decision to dispose-off assets under amortised cost category for any of the reasons shall be taken at the level of Asset Liability Management Committee (ALMC) and other Board level committee.

Financial Assets at Fair Value through FVTOCI:

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combinations' applies, are measured at FVTOCI, where an irrevocable selection has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income ("OCI") and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments. Dividends on such investments are recognised in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt instruments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

Financial Assets at FVTPL:

A financial asset which is not classified as Amortised Cost or FVTOCI is measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss.

Effective Interest Rate (EIR) Method:

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

Impairment of Financial Assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In case of debt instruments measured at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in OCI with a corresponding effect to the Statement of Profit and Loss but is not reduced from the carrying amount of the financial asset in the Balance Sheet; so the financial asset continues to be presented in the Balance Sheet at its fair value.

No Expected Credit Loss is recognised on equity investments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to the expected credit losses.

Further, for the purpose of measuring expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience.

Derecognition of Financial Assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset accounted under Ind AS 109 in its entirety:

a) for financial assets measured at amortised cost, the gain or loss is recognised in the Statement of Profit and Loss.

b) for financial assets measured at FVTOCI, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a liability for the proceeds received.

Modification/ revision in estimates of cash flows of financial assets:

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in the Statement of Profit and Loss.

Various quantitative and qualitative factors are considered to determine whether the renegotiated terms are substantially different and whether the same would amount to extinguishment of financial asset and recognition of a new financial asset. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

(B) Financial Liabilities and Equity Instruments:

Classification as Debt or Equity:

Financial liabilities and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at FVTPL. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost.

Financial Guarantee Contracts

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument.

Financial guarantee are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.4 Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the Balance Sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived directly or indirectly from observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

2.5 Overview of the Expected Credit Loss (ECL) principles

ECL is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. A credit loss would arise even when a receivable was realised in full but later than when contractually due.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables. The Company has bucketed its portfolio into different homogeneous categories based on finance amount, as the same reflects similar customer behaviour, and the Probability of Default (PD) of each of the buckets is computed basis such historical data. Based on the historical data, the company has computed the realisable value of the securities hypothecated to it and thus derived the Loss Given Default (LGD). The combination of the PD and LGD is applied on the Exposure at Default (EAD) to compute the ECL provision, which is further adjusted for forward looking information, if any. Additionally, the Company reviews its large exposures to identify cases where the expected credit loss is expected to be higher than that derived from the model and recognises such impairments additionally.

In case of assets identified to be significantly credit-impaired to the extent that default has happened or seems to be a certainty rather than probability, ECL would be determined by directly estimating the receipt of cash flows and timing thereof, and applying net present value (NPV) on the shortfalls.

Unsegmented portfolio for ECL

In case of Loans transferred to the Company under slump exchange, financing was restricted to a large extent to the infrastructure sectors and having limited count over the past years. Considering the limitations of count, ECL is computed on an unsegmented portfolio basis.

Staging:

The loan portfolio would be classified into three stage-wise buckets – Stage 1, Stage 2 and Stage 3 corresponding to the contracts assessed as performing, under-performing and non-performing, in accordance with the Ind AS guidelines.

While the presumption for inter-stage threshold for Stage 1 is 30 days, the company has rebutted the presumption and has considered 60 days as the threshold. As the borrowers are typically operating in infrastructure sector, where receivables tend to be stretched, notwithstanding whether the principals are government/quasi-government entities or private sector entities. As per current market practice, NBFCs typically tend to be paid later than banks by borrowers since banks control their working capital financing.

Methodology:

The basis of the ECL calculations are outlined below which is intended to be more forward-looking. Key elements of ECL are, as follows:

PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The key tenets of Company's methodology are as under:

Past performance as basis for ECL discovery: Company's ECL methodology is based on discovery of the relevant parameters namely EAD, PD and LGD from the company's actual performance of past portfolios.

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

2.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Assets given on operating leases are included in Property, Plant and Equipment.

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

For the revenue recognition policy on Lease Contracts, refer Note No. 2.2.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see Note No. 2.8 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Company's operating lease asset classes primarily consist of leases for buildings or part thereof. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities excludes these options as there is no reasonable certainty that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the average cost of borrowing rates in

the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities.

2.7 Foreign Currency Transactions

The financial statements are presented in INR in lakhs, being the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

- Initial recognition of all transactions :
Recorded at the rates of exchange prevailing at the dates of the respective transactions.
- Conversion :
Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date.
Non-monetary items (carried at fair value) as on reporting date are restated using the exchange rate prevailing at the date when the fair value was determined. Translation differences on such items are reported as part of the fair value gain or loss on such items.
For non-monetary items (carried at historical cost) as on reporting date restatement is not required.

Foreign Exchange Gains and Losses:

Financial Assets:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated using the exchange rate prevailing at the reporting date.

- For monetary financial assets measured at amortised cost, FVTOCI or FVTPL and non-monetary financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.
- Foreign currency changes for non-monetary financial assets measured at FVTOCI are recognised in OCI.

Financial Liabilities:

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated using the exchange rate prevailing at the reporting date.

For monetary financial liabilities measured at amortised cost, FVTOCI or FVTPL and non-monetary financial liabilities measured at amortised cost or FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in OCI.

2.8 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.9 Employee Benefits

(A) Retirement benefit costs and other termination benefits

Defined Contribution Plans:

Contributions to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans:

Gratuity Liability and Long Term compensated absences are defined benefit plans. The cost of providing benefits is determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in OCI in the period in which they occur. Re-measurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(B) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10 Taxation

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

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

The Company's deferred tax is calculated using tax rate that are substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in OCI or directly in equity respectively.

2.11 Property, Plant and Equipment

Property, Plant and Equipment shown in the Balance Sheet consist of assets used in operations. Assets used in operations are those used in the provision of services or for administrative purposes, and include assets leased by the Company as lessor under operating leases.

a) Initial and subsequent recognition

Property, Plant and Equipment are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent to initial recognition, Property, Plant and Equipment are measured at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

b) De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

c) Depreciation

Depreciation of these assets commences when the assets are ready for their intended use. It is recognised so as to amortise the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Average useful life of the assets determined is as under:

Operating lease Assets

Class of Assets	Useful Life as per the Companies Act 2013	Useful Life as followed by the management
Computer Equipment	3 years/6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15 years/30 years	8 years/15 years
Windmill	22 years	20 years

Own Use Assets

Class of Assets	Useful Life as per the Companies Act 2013	Useful Life as followed by the management
Computer Equipment	3 years/6 years	5 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15 years/22 years	8 years/22 years

Management believes that the revised useful lives of the assets reflect the periods over which these assets are expected to be used.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Leasehold assets including improvements are amortised over estimated useful life or lease period, whichever is lower. Freehold Land is not depreciated.

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

2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Useful life of 5 years is used in the calculation of amortisation for Software. Software includes license amortised over license life or 5 years whichever is earlier.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is de-recognised.

2.13 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment on an annual basis, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

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

Contingent Liabilities

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

Contingent Assets

Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

2.15 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of cash in hand and balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

2.16 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM assess the financial performance and position of the Company and makes strategic decisions.

The Company is predominantly engaged in a single reportable segment of 'Financial Services' as per the Ind AS 108 - Segment Reporting.

2.17 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.18 (i) Repossessed Assets and Assets Acquired in Satisfaction of Debt

Repossessed assets and assets acquired in satisfaction of debt are those assets whose carrying amount is recovered principally through a sale transaction rather than through continuing use. These assets are disclosed as part of 'other non-financial assets' and are carried at the lower of their carrying amount and fair value less costs to sell.

2.18 (ii) Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.19 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

2.20 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in notes to the financial statements.

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

2.21 Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.22 Hedge Accounting

The Company designates certain derivatives, in respect of foreign currency risk and interest rate risk, as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under the heading of 'Effective portion of cash flow hedges'. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, and is included in the 'Net gain on fair value changes' or 'Net loss on fair value changes' line item.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

2.23 Significant accounting judgements, estimates and assumptions

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

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

2.23.1. Expected credit loss on loans and advances

The Company has used its judgement in determining various parameters of expected credit loss. These parameters includes defining pools, staging, default, discount rates, expected life, significant increase in credit risk, amount and timing of future cash flows. In estimating these cash flows, the Company makes judgement about the realisable value of the securities hypothecated/mortgaged to it, based on the historical data and/or independent valuation reports.

These assumptions are based on the assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, nature of assets underlying assets financed, levels of arrears, credit utilization, loan to collateral ratios etc.), and the economic data (including levels of unemployment, country risk and performance of different individual groups). These critical assumptions have been applied consistently to all periods presented.

2.23.2. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortised cost or at FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

2.23.3. Hedge Designation

The appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness at the inception/origination of the transaction.

2.23.4. Provisions other than ECL on loans and advances

Provisions are held in respect of a range of future obligations such as employee entitlements, litigation provisions, etc. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions.

2.23.5. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.23.6. Identification of Related Parties

Related Parties for the purpose of Companies Act, 2013 and relevant Ind AS, is identified by the Company, for necessary compliance/reporting/disclosures etc, as per the Related Party Transactions (RPT) Policy.

2.24. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

3. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Cash on hand *	-	7
Balances with Banks - in Current Account #	12,812	28,407
Balances with Banks - in Fixed Deposit Accounts having original maturity of upto 3 months (Including accrued interest)	17,977	2,24,225
Total	30,789	2,52,639

* ₹ 37,582/- as at March 31st, 2024

Includes ₹ 1,864 lakhs pertaining to a cash credit account with a bank having a debit balance as at March 31st, 2024 (March 31st, 2023: ₹ 2,589 lakhs).

4. Bank Balance other than above

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Balance with Banks - in Fixed Deposit Accounts having original maturity of more than 3 months * (Including accrued interest)	2,538	12,993
Earmarked Balances @	303	5,176
Total	2,841	18,169

@ Includes ₹ 54 lakhs pertaining to unclaimed interest for earlier issued private placement non convertible debentures pending to be transferred to separate bank accounts as at March 31st, 2024.

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Under lien #:		
Letter of Credit/Bank guarantee (Refer Note No.i)	2	8,194
Borrowings	-	40
Others (Refer Note No.i)	4	2,729

#Does not include Interest accrued but not due as at March 31st, 2024 ₹ Nil (March 31st, 2023 :₹ 138 Lakhs)

i.In terms of the approved resolution plan, all lien has been reduced to nil and permanently settled, discharged and extinguished in full. However, the Company is in the process of removing lien marked by the banks on fixed deposits of ₹ 6 lakhs towards letter of credit / bank gurantee and others as at May 22nd, 2024 .

(i) Changes in Cash Flows from Financing Activities

(₹ in Lakhs)

Particulars	As at March 31st, 2023	Movement **		As at March 31st, 2024
		Cash	Non-Cash \$	
Debt Securities	2,59,944	(36,337)	73,990	2,97,597
Borrowings (Other than Debt Securities)	26,69,340	(2,28,350)	(24,40,465)	525
Subordinated Liabilities	2,62,458	(2,094)	(2,54,128)	6,236
Total	31,91,742	(2,66,781)	(26,20,603)	3,04,358

\$ Refer Note no 1.2 and 62.

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

(₹ in Lakhs)

Particulars	As at March 31st, 2022	Movement**		As at March 31st, 2023
		Cash	Non-Cash	
Debt Securities	2,59,552	-	392	2,59,944
Borrowings (Other than Debt Securities)	26,76,863	(10,773)	3,250	26,69,340
Subordinated Liabilities	2,61,581	-	877	2,62,458
Total	31,97,996	(10,773)	4,519	31,91,742

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

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

5. Receivables:

(I) Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31st, 2024		As at March 31st, 2023	
(a) Considered good - Secured	-	-	-	-
Less: Allowance for impairment loss allowance	-	-	-	-
(b) Considered good - Unsecured	110	130	110	130
Less: Allowance for impairment loss allowance	5	5	5	5
(c) Trade Receivables which have significant increase in credit risk	105	125	105	125
Less: Allowance for impairment loss allowance *	4	23	4	23
(d) Credit impaired	4	21	4	21
Less: Allowance for impairment loss allowance	-	-	-	-
	-	-	-	-
Total	109	146	109	146

* ₹ 36,287/- as at March 31st, 2024

(a) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio and movements between age buckets as a result of increase or decrease in credit risk of the receivables.

(b) Trade Receivables ageing schedule as at March 31st, 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	105	-	-	-	-	105
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	4	-	-	-	-	4
(iii) Undisputed Trade Receivables -credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	109	-	-	-	-	109

Trade Receivables ageing schedule as at March 31st, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	125	-	-	-	-	125
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	21	-	-	-	-	21
(iii) Undisputed Trade Receivables -credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	146	-	-	-	-	146

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

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

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Balance at the beginning of the year	7	71
Charge in Statement of Profit and Loss	3	7
Utilized during the year	(5)	(71)
Balance at the end of the year	5	7

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

(₹ in Lakhs)

Particulars	As at March 31st, 2024		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	114	5	109
Overdue between three to six months	-	-	-
Overdue between six months to one year	-	-	-
More than 1 year overdue	-	-	-
	114	5	109

(₹ in Lakhs)

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

The contractual amount outstanding on financial assets that were written off during the reporting period but are still subject to enforcement activity is ₹ Nil (March 31st, 2023 ₹ 2,200 lakhs).

The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio and movements between age buckets as a result of increase or decrease in credit risk of the receivables.

6. Loans

(₹ in Lakhs)

Particulars	As at March 31st, 2024						As at March 31st, 2023					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)	
(A)												
(i) Term Loans (Refer Note No.6.1)	27,13,524	-	18,968	-	18,968	27,32,492	27,06,460	2,687	19,091	-	21,778	27,28,238
(ii) Leasing (Refer Note No.6.1)	835	-	-	-	-	835	2,633	-	-	-	-	2,633
(iii) Others												
Inter-Corporate Deposits #	-	-	-	-	-	-	25,848	-	-	-	-	25,848
Total (A) Gross	27,14,359	-	18,968	-	18,968	27,33,327	27,34,941	2,687	19,091	-	21,778	27,56,719
Less: Impairment loss allowance	24,34,519	-	-	-	-	24,34,519	17,94,334	-	-	-	-	17,94,334
Total (A) Net	2,79,840	-	18,968	-	18,968	2,98,808	9,40,607	2,687	19,091	-	21,778	9,62,385
(B)												
(i) Secured by tangible assets/ cash flows*	26,18,463	-	18,968	-	18,968	26,37,431	25,68,888	2,687	19,091	-	21,778	25,90,666
(ii) Unsecured	95,896	-	-	-	-	95,896	1,66,053	-	-	-	-	1,66,053
Total (B) Gross	27,14,359	-	18,968	-	18,968	27,33,327	27,34,941	2,687	19,091	-	21,778	27,56,719
Less: Impairment loss allowance	24,34,519	-	-	-	-	24,34,519	17,94,334	-	-	-	-	17,94,334
Total (B) Net	2,79,840	-	18,968	-	18,968	2,98,808	9,40,607	2,687	19,091	-	21,778	9,62,385
(C)												
In India												
(i) Public Sector	306	-	-	-	-	306	732	-	-	-	-	732
(ii) Others	27,14,053	-	18,968	-	18,968	27,33,021	27,34,209	2,687	19,091	-	21,778	27,55,987
Total (C) Gross	27,14,359	-	18,968	-	18,968	27,33,327	27,34,941	2,687	19,091	-	21,778	27,56,719
Less: Impairment loss allowance	24,34,519	-	-	-	-	24,34,519	17,94,334	-	-	-	-	17,94,334
Total (C) Net	2,79,840	-	18,968	-	18,968	2,98,808	9,40,607	2,687	19,091	-	21,778	9,62,385

In terms of the approved resolution plan, debt amounting to ₹ 25,671 lakhs of the Company is assigned to SIFL against the repayment of debt of an equivalent amount receivable from SIFL.

* Loans are secured by underlying hypothecated assets / receivables / immovable properties and in certain cases, are additionally secured by pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by charge over future toll revenue/cash flows/receivables etc. have been considered as secured. Securities created by the borrowers, against loan assets are based on valuation of the underlying assets, where applicable and relied upon.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

6. Loans (continued)

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

Particulars	As at March 31st, 2024					As at March 31st, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount - opening balance	69,140	3,598	27,47,509	-	28,20,247	5,82,898	1,00,145	21,24,506	-	28,07,549
New assets originated or purchased / net disbursement @	-	-	810	-	810	14,323	-	-	-	14,323
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted) #	(16,505)	(129)	(54,162)	-	(70,796)	(10,602)	3,063	(37,421)	-	(44,960)
Effective interest on net carrying amount	-	-	10,720	-	10,720	-	-	49,723	-	49,723
Other Balances ** (Refer Note No.62)	-	-	-	-	-	82,619	-	-	-	82,619
Debt Assigned to SIFL for receivables from SIFL towards ICD \$	(25,671)	-	-	-	(25,671)	-	-	-	-	-
Transfers to Stage 1	9,781	-	(9,781)	-	-	600	(208)	(392)	-	-
Transfers to Stage 2	(50)	59	(9)	-	-	(3,571)	3,582	(11)	-	-
Transfers to Stage 3	(18,992)	(3,469)	22,461	-	-	(5,87,520)	(1,02,977)	6,90,497	-	-
Amounts written off	-	-	(20,951)	-	(20,951)	(9,607)	(7)	(79,393)	-	(89,007)
Gross carrying amount - Closing balance	17,703	59	26,96,597	-	27,14,359	69,140	3,598	27,47,509	-	28,20,247

Note: Receivables on account of assigned loans/lease/ other receivables have been adjusted from loans only.

* Excludes gross carrying amount of Stage-3 Loans designated at fair value through profit or loss amounting to ₹ 18,968 lakhs (March 31st, 2023 ₹ 19,091 lakhs)

** As at March 31st, 2023, Other balances includes shortfall in payment to Company lenders who were assigned the pool loans (Refer Note No.61 of the financial statement for the year ended March 31st, 2023)

@ On conversion/transfer of Investment and AAD to Loan.

\$ In terms of the approved resolution plan, debt amounting to ₹ 25,671 lakhs of the Company is assigned to SIFL against the repayment of debt of an equivalent amount receivable from SIFL

Represents balancing figure.

ii. Reconciliation of ECL balance is given below: *

Particulars	As at March 31st, 2024					As at March 31st, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	12,991	455	17,81,118	-	17,94,564	35,573	4,174	7,60,517	-	8,00,264
New assets originated or purchased / net disbursement @	-	-	324	-	324	3,111	-	-	-	3,111
Impact on period end ECL of Exposures transferred between stages during the period and reversal of ECL on account of Recovery @@ and #	(1,952)	(17)	6,58,771	-	6,56,802	(9,665)	169	10,67,624	-	10,58,128
Transfers to Stage 1	4,062	(2)	(4,060)	-	-	12,417	(52)	(12,365)	-	-
Transfers to Stage 2	(9)	23	(14)	-	-	(80)	95	(15)	-	-
Transfers to Stage 3	(4,645)	(449)	5,094	-	-	(27,914)	(3,930)	31,844	-	-
Amounts written off	-	-	(17,171)	-	(17,171)	(451)	(1)	(66,487)	-	(66,938)
ECL allowance - closing balance	10,447	10	24,24,062	-	24,34,519	12,991	455	17,81,118	-	17,94,564

* Includes ECL allowance of ₹ Nil (March 31st, 2023 ₹ 7,541 Lakhs) on off balance sheet exposure.

* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ Nil (March 31st, 2023 ₹ 229 lakhs).

@ On conversion/transfer of Investment and AAD to Loan.

@@ Refer Note No.62 and 65

Represents balancing figure.

iii. The contractual amount outstanding on loan assets that were written off during the reporting period but are still subject to enforcement activity is ₹ 18,919 lakhs (March 31st, 2023 ₹ 59,186 lakhs).

iv. The change in expected credit loss allowance of the portfolio was driven by a change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the borrowers.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

6.1 In the capacity of lessor (Finance Lease)

The Company has given assets under finance lease arrangement for periods ranging between 1 to 6 years. Such arrangement does not have clause for contingent rent and hence, the Company has not recognised any contingent rent as income during the year.

The details of gross Investments, unearned finance income and future minimum lease payments in respect of the above non-cancellable finance lease are as follows :

Gross Investments		(₹ in Lakhs)	
Particulars	As at March 31st, 2024	As at March 31st, 2023	
i. not later than one year	870	2,996	
ii. later than one year and not later than five years	-	932	
iii. later than five years	-	-	
Total	870	3,928	

Unearned finance Income		(₹ in Lakhs)	
Particulars	As at March 31st, 2024	As at March 31st, 2023	
i. not later than one year	35	304	
ii. later than one year and not later than five years	-	41	
iii. later than five years	-	-	
Total	35	345	

Minimum lease payments		(₹ in Lakhs)	
Particulars	As at March 31st, 2024	As at March 31st, 2023	
i. not later than one year	835	2,692	
ii. later than one year and not later than five years	-	890	
iii. later than five years	-	-	
Total	835	3,582	

7. Investments

Particulars	As at March 31st, 2024							As at March 31st, 2023						
	Amortised cost	At Fair Value				Others	Total	Amortised cost	At Fair Value				Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Debt Securities *@ \$	18,256	-	7,468	-	7,468	-	25,724	18,572	-	9,125	-	9,125	-	27,697
Equity Instruments ** @ #	-	-	17,934	-	17,934	-	17,934	-	-	44,543	-	44,543	-	44,543
In Units of Trusts and Scheme of Venture Funds	-	-	-	-	-	-	-	-	-	1,090	-	1,090	-	1,090
Total Gross (A)	18,256	-	25,402	-	25,402	-	43,658	18,572	-	54,758	-	54,758	-	73,330
(i) Overseas Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	18,256	-	25,402	-	25,402	-	43,658	18,572	-	54,758	-	54,758	-	73,330
Total (B)	18,256	-	25,402	-	25,402	-	43,658	18,572	-	54,758	-	54,758	-	73,330
Less: Impairment loss allowance (C)	9,590	-	-	-	-	-	9,590	9,590	-	-	-	-	-	9,590
Total - Net D= (A)-(C)	8,666	-	25,402	-	25,402	-	34,068	8,982	-	54,758	-	54,758	-	63,740

* 950 nos. Non-Convertible Debentures (NCD's) having face value ₹ 10,00,000 each issued by Fortis Healthcare Holdings Private Ltd including premium amounting to ₹ 9,590 lakhs as at March 31st, 2024 (₹ 9,590 lakhs as at March 31st, 2023) were received from Srei Infrastructure Finance Limited (SIFL) by way of slump exchange to the Company through a Business Transfer Agreement ("BTA") (Refer Note No.62). Since these NCD's are matured, the depository has rejected the transfer request given by SIFL in favour of the Company. Therefore, these NCD's are being held by SIFL for the benefit of the Company.

**During the quarter ended March 31st, 2022, the Company has invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL'), which were pledged with the Company as security against the loan availed by one of the borrowers of the Company. As at March 31st, 2023, these shares appeared in the demat statement of SIFL, whereas the loan was transferred to the Company pursuant to BTA, as stated in Note No.62. However the entire shares have been sold on April 11th, 2023 and the same has been transferred to the demat account of purchaser on April 26th, 2023.

\$ Non Principal Protected Debentures (NPPD) issued by Assets Care & Reconstruction Enterprise Limited were unilaterally redeemed from SEFL Demat account by respective Issuer by using auto corporate action dated May 27th, 2022 for which the necessary accounting has not been considered in books pending clarifications/relevant documents as at March 31st, 2023 and the same has been accounted for during the financial year ended March 31st, 2024.

@ The Company had created impairment loss allowance to the extent of 100% of investment exposures on such accounts covered under transaction audits under section 43, 45, 50 and 66 of the Code against which application were filled under sections 60(5) and 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) for adjudication.

The latest available recovery rating for investment in Security receipts (SR) of Prudent ARC Limited was valid till June 30th, 2023. In the absence of reviewed rating post June 30th, 2023 from ARC, the company has considered the carrying value of these SRs as ₹ Nil.

8. Other Financial Assets

Particulars	(₹ in Lakhs)	
	As at March 31st, 2024	As at March 31st, 2023
Security Deposits		
To Related Parties	2,350	17,350
Less: Impairment loss allowance on Security Deposits to Related Parties	(165)	(15,705)
To Others	977	992
Less: Impairment loss allowance on Security Deposits to Others	(740)	(708)
Rental accrued but not due	144	546
Less: Impairment loss allowance for Rental accrued but not due (Refer Note No.5(i)(a))	(8)	(19)
Interest retained on Pool Assigned	-	591
Less: Impairment loss allowance for Interest retained on Pool Assigned	-	(193)
Claims Receivable (measured at fair value through profit or loss) #	-	62,196
Loan to Employees	10	17
Less: Impairment loss allowance on Loan to Employee	(1)	(2)
Others (Refer Note No.i and ii below)	3,200	749
Less: Impairment loss allowance on Others	(2,913)	(117)
Total	2,854	65,697

Net of fair value change / impairment amounting to ₹ 84,653 lakhs (March 31st, 2023 : ₹ 22,457 lakhs)

i. Includes amount receivable from holding Company, Srei Infrastructure Finance Limited (SIFL) amounting to ₹ Nil (March 31st, 2023 : ₹ 107 excluding impairment loss allowance of ₹ 32 lakhs).

ii. Includes ₹ 2,266 lakhs (March 31st, 2023 : ₹ 1,205 lakhs) receivable from Karur Vyasa Bank mainly towards collections lying in escrow accounts not yet transferred to the current account of the Company .During the year the Company had made the 100% provision on the same (March 31st, 2023 : ₹ Nil).

9. Current Tax Assets (Net)

Particulars	(₹ in Lakhs)	
	As at March 31st, 2024	As at March 31st, 2023
Advance income tax [net of Income tax provision of ₹ 32,489 lakhs (March 31st, 2023 : ₹ 32,596 lakhs)]	17,230	14,630
Total	17,230	14,630

9(i). Income Tax Expense

The reconciliation of estimated income tax to income tax expense for current and previous year is as below:

Particulars	(₹ in Lakhs)	
	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Profit/(Loss) Before Tax	(7,64,729)	(11,21,928)
Statutory Income Tax Rate	25.168%	25.168%
Expected income tax expense at statutory income tax rate	(1,92,467)	(2,82,367)
Adjustments for :		
(i) Income exempt from tax/Items not deductible	-	-
(i) Reversal of MAT Credit entitlement due to adoption of new tax regime	-	-
(ii) Deferred Tax Asset not recognised on loss under Income Tax	1,61,697	2,50,313
(iii) Expenses allowable for tax purpose when paid	(4)	2,062
(iv) Provision against disputed statutory dues under litigation (Refer Note No. 62)	-	-
(v) Other adjustments	30,774	29,992
Total Tax Expense recognised in the Statement of Profit and Loss	-	-

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

10. Property, Plant and Equipment

Particulars	Gross block				Depreciation/Amortisation/ Impairment				Net book value	
	As at April 1st, 2023	Additions	Disposals and other adjustments	As at March 31st, 2024	As at April 1st, 2023	Depreciation/ Amortisation Charge	Impairment Charge #	Disposals and other adjustments	As at March 31st, 2024	As at March 31st, 2024
Assets for Own use										
Land- Freehold	3,307	-	-	3,307	-	-	-	-	-	3,307
Buildings*	3,973	2	-	3,975	273	77	-	-	350	3,625
Furniture and fixtures	3,129	3	47	3,085	2,262	363	-	41	2,584	501
Plant and Machinery	22,474	-	-	22,474	6,138	1,023	-	-	7,161	15,313
Motor vehicles	402	-	43	359	320	36	-	43	313	46
Leasehold Improvements	2,324	-	-	2,324	2,084	162	-	-	2,246	78
Computers and office equipment	674	24	94	604	651	15	-	92	574	30
(A)	36,283	29	184	36,128	11,728	1,676	-	176	13,228	22,900
Assets for Operating lease										
Earthmoving Equipment	98,302	-	18,060	80,242	80,870	9,403	560	17,129	73,704	6,538
Motor vehicles	61,510	-	4,792	56,718	52,110	5,278	348	3,811	53,925	2,793
Plant and Machinery	1,46,995	-	6,792	1,40,203	82,489	11,857	16,583	5,014	1,05,915	34,288
Wind Mills	7,821	-	-	7,821	4,405	734	597	-	5,736	2,085
Computers	11,930	-	1,853	10,077	11,499	329	-	1,757	10,071	6
Furniture and fixtures	6,337	-	54	6,283	3,739	600	853	28	5,164	1,119
(B)	3,32,895	-	31,551	3,01,344	2,35,112	28,201	18,941	27,739	2,54,515	46,829
Total for Property, Plant and Equipment (C)= (A+B)	3,69,177	29	31,735	3,37,472	2,46,840	29,877	18,941	27,915	2,67,743	69,729

Refer Note No. 62

* Buildings includes ₹ 3,897 lakhs (Net book value of ₹ 3,559 lakhs) in respect of which conveyance is pending. These immovable properties were transferred to the Company pursuant to BTA .

As a matter of prudence, the Company has not considered the impact of upward fair valuation of Property, Plant and Equipment.

Particulars	Gross block				Depreciation/Amortisation/ Impairment				Net book value	
	As at April 1st, 2022	Additions	Disposals and other adjustments	As at March 31st, 2023	As at April 1st, 2022	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2023	As at March 31st, 2023
Assets for Own use										
Land- Freehold	3,307	-	-	3,307	-	-	-	-	-	3,307
Buildings**	3,973	-	-	3,973	196	77	-	-	273	3,700
Furniture and fixtures	3,156	1	28	3,129	1,813	473	-	24	2,262	867
Plant and Machinery	22,474	-	-	22,474	5,115	1,023	-	-	6,138	16,336
Motor vehicles	402	-	-	402	273	47	-	-	320	82
Leasehold Improvements	2,324	-	-	2,324	1,573	511	-	-	2,084	240
Computers and office equipment	1,099	1	426	674	1,039	37	-	425	651	23
(A)	36,735	2	454	36,283	10,009	2,168	-	449	11,728	24,555
Assets for Operating lease										
Aircrafts	-	-	-	-	-	-	-	-	-	-
Earthmoving Equipment	1,18,848	-	20,546	98,302	81,898	12,794	-	13,822	80,870	17,432
Motor vehicles	81,875	-	20,365	61,510	58,432	8,183	-	14,505	52,110	9,400
Plant and Machinery	1,57,445	-	10,450	1,46,995	75,328	13,386	-	6,226	82,489	64,507
Wind Mills	7,821	-	-	7,821	3,671	734	-	-	4,405	3,416
Computers	35,138	-	23,208	11,930	29,212	4,595	-	22,308	11,499	431
Furniture and fixtures	8,227	-	1,890	6,337	4,127	715	-	1,103	3,739	2,598
(B)	4,09,354	-	76,459	3,32,895	2,52,668	40,407	-	57,964	2,35,112	97,783
Total for Property, Plant and Equipment (C)= (A+B)	4,46,089	2	76,913	3,69,177	2,62,677	42,575	-	58,413	2,46,839	1,22,338

** Buildings includes ₹ 3,895 lakhs (Net book value of ₹ 3,632 lakhs) in respect of which conveyance is pending. These immovable properties were transferred to the Company pursuant to BTA (Refer Note No. 64 of the Financial Statements for the year ended March 31st, 2023).

** The property situated in Chennai and Bally are given as the security against the specific secured debt securities , and the carrying value of such properties is ₹ 60 lakhs as on March 31st, 2023.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

11. Leases

a) In the capacity of Lessee

The Company has taken various premises (offices and yards) under lease. Generally, the lease agreements provide for cancellation by either party and contain clause for escalation and renewal of agreements.

Following are the changes in the carrying value of right-of-use assets for the year ended March 31st, 2024:

Particulars	(₹ in Lakhs)	
	As at March 31st, 2024	As at March 31st, 2023
Opening Balance	506	712
Addition	334	228
Deletion	255	2
Depreciation	282	432
Closing Balance	303	506

The aggregate depreciation expense on right-of-use assets is included under Depreciation, Amortisation and Impairment expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31st, 2024:

Particulars	(₹ in Lakhs)	
	As at March 31st, 2024	As at March 31st, 2023
Opening Balance	636	828
Addition	334	228
Deletion	312	23
Finance cost accrued during the year	102	88
Payment of lease liabilities	408	485
Closing Balance	352	636

The table below provides details regarding the contractual maturities of lease liabilities as at March 31st, 2024 on an undiscounted basis:

Particulars	(₹ in Lakhs)	
	As at March 31st, 2024	As at March 31st, 2023
Less than one year	345	352
One to five years	274	291
More than five years	-	-
Total	619	643

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases is ₹ 362 lakhs for the year ended March 31st, 2024 (March 31st,2023 : ₹ 575 lakhs).

b) In the capacity of Lessor (Operating lease) *

The Company has given assets on operating lease arrangements (refer Note No. 10) for periods ranging between 1 to 15 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the Statement of Profit and Loss for the year ended March 31st, 2024 is amounting to ₹ 8 lakhs (March 31st, 2023 : ₹ 55 lakhs).

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

Particulars	(₹ in Lakhs)	
	As at March 31st, 2024	As at March 31st, 2023
Not later than one year	2,767	10,964
Later than one year but not later than five years	1,620	2,065
Later than five years	-	-
Total	4,387	13,029

*Excluding assignment receivable of pool lenders

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

12. Other Intangible Assets

(₹ in Lakhs)

Particulars	Gross block				Depreciation/Amortisation/ Impairment				Net book value	
	As at April 1st, 2023	Additions	Disposals and other adjustments	As at March 31st, 2024	As at April 1st, 2023	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2024	As at March 31st, 2024
Assets for Own use										
Softwares	2,888	74	-	2,962	2,347	302	-	-	2,649	313
(A)	2,888	74	-	2,962	2,347	302	-	-	2,649	313
Assets for Operating lease										
Softwares	443	-	-	443	443	-	-	-	443	-
(B)	443	-	-	443	443	-	-	-	443	-
Total for Other Intangible assets (A+B)	3,331	74	-	3,405	2,790	302	-	-	3,092	313

(₹ in Lakhs)

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

13. Other Non-Financial Assets

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Capital Advances	29	30
Asset held for sale	388	-
Repossessed Assets and Assets acquired in satisfaction of debts *	422	21,492
Advance to Vendors	324	332
Advances to Employees	20	26
Balances with Service Tax/VAT/GST authorities	1,429	1,367
Others	114	262
Total	2,726	23,509

* Includes repossessed assets (net) amounting to ₹ 422 lakhs (March 31st, 2023: ₹ 3,282 Lakhs) . It also includes assets/collaterals acquired in satisfaction of debt amounting to ₹ Nil , the gross value of these assets/collaterals is ₹ 30,301 lakhs (March 31st, 2023: assets/collaterals acquired in satisfaction of debt amounting to ₹ 18,210 lakhs , the gross value of these assets/collaterals is ₹ 30,301 lakhs).

14. Payables

I Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No.62)

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
a) The principal amount and interest due thereon remaining unpaid to any supplier #	-	190
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	-	190

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

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Unbilled dues shall be disclosed separately.

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No.62)

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Due to others		
Other than Acceptance	80	6,224
Total	80	6,224

Trade Payables ageing schedule as at March 31st, 2024 :

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	80	-	-	-	80
(iii) Disputed dues- MSMEs	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	80	-	-	-	80

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

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4	186	-	-	190
(ii) Others	1,938	2,302	477	980	5,697
(iii) Disputed dues- MSMEs	-	-	-	-	-
(iv) Disputed dues- Others	50	-	419	58	527
Total	1,992	2,488	896	1,038	6,414

15. Debt Securities

(₹ in Lakhs)

Particulars	As at March 31st, 2024				As at March 31st, 2023			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Secured (Refer Note No.62)								
Non-convertible debentures (Refer Note No. 15.1)	2,97,597	-	-	2,97,597	2,55,895	-	-	2,55,895
Long-Term Infrastructure Bond (Refer Note No. 15.2)	-	-	-	-	4,049	-	-	4,049
Total	2,97,597	-	-	2,97,597	2,59,944	-	-	2,59,944
Debt securities in India	2,97,597	-	-	2,97,597	2,59,944	-	-	2,59,944
Debt securities outside India	-	-	-	-	-	-	-	-
Total	2,97,597	-	-	2,97,597	2,59,944	-	-	2,59,944

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

15.1 Secured Non-Convertible Debentures (NCD)

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lakhs) ##		Interest rate (%)	Earliest redemption date/ Balance tenure (years)*
		As at March 31st, 2024@	As at March 31st, 2023 (Refer Note No. 1.2, 64, 65, 66 & 67 to the Financial Statements for the year ended March 31st, 2023)		
Private Placement:					
18 January, 2018	10,00,000	-	1,000	11.00%	18 January, 2028
20 December, 2016	10,00,000	-	1,000	11.00%	20 December, 2026
26 March, 2018	10,00,000	-	1,650	11.00%	26 March, 2025
09 December, 2014	10,00,000	-	1,900	12.05%	09 December, 2024
03 October, 2017	10,00,000	-	600	10.99%	03 October, 2024
15 September, 2017	10,00,000	-	2,350	10.50%	15 September, 2024
22 June, 2017	10,00,000	-	2,000	11.23%	22 June, 2024
20 June, 2014	10,00,000	-	1,000	12.90%	20 June, 2024
13 June, 2014	10,00,000	-	1,000	12.92%	13 June, 2024
10 June, 2014	10,00,000	-	1,000	13.40%	10 June, 2024
31 May, 2017	10,00,000	-	1,000	11.32%	31 May, 2024
26 May, 2017	10,00,000	-	2,000	11.45%	26 May, 2024
30 January, 2019	10,00,000	-	30,000	12.50%	30 January, 2024
02 December, 2016	10,00,000	-	500	11.00%	02 December, 2023
29 November, 2013	10,00,000	-	450	13.10%	29 November, 2023
04 April, 2018	10,00,000	-	1,400	10.30%	04 April, 2023
14 March, 2018	10,00,000	-	500	10.30%	14 March, 2023
24 January, 2013	10,00,000	-	110	13.50%	24 January, 2023
05 October, 2012	10,00,000	-	2,000	13.35%	05 October, 2022
31 July, 2012	10,00,000	-	130	13.40%	31 July, 2022
08 June, 2012	10,00,000	-	70	13.40%	08 June, 2022
29 October, 2011	10,00,000	-	3,000	13.90%	29 October, 2021
06 October, 2016	10,00,000	-	500	11.95%	06 October, 2021
09 September, 2011	10,00,000	-	1,000	13.90%	09 September, 2021
26 December, 2023	1,000	**	-	0.001%	27 December, 2024
26 December, 2023	1,000	58,147	-	0.001%	26 December, 2025
26 December, 2023	1,000	87,220	-	0.001%	26 December, 2026
26 December, 2023	1,000	1,93,823	-	0.001%	26 December, 2027
26 December, 2023	1,000	92,066	-	0.001%	26 December, 2028
Public Issue:					
11 May, 2015	1,000	-	3,215	12.25%-12.50%	7 years
January 17, 2017	1,000	-	33,842	11.11%-11.75%	5 years
25 May 2018	1,000	-	41,598	10.75%-11.60%	3 - 10 years
24 January 2019	1,000	-	14,005	11.81%-12.75%	3 - 5 years
06 October, 2016	1,000	-	15,585	11.60%-12.00%	5 years
27 February, 2017	1,000	-	17,547	11.12%-11.75%	5 years
16 March, 2018	1,000	-	27,110	10.43%-11.26%	5 years
15 May, 2019	1,000	-	9,363	12.05%-13.00%	3 - 5 years
Total		4,31,256	2,18,425		

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the debenture holders and thereafter new instruments issued and remaining liabilities has been extinguished.

Includes Deferred Interest of NCD of ₹ 1,33,639 lakhs (March 31st, 2023: ₹ Nil), effective interest adjustment of ₹ 20 lakhs (March 31st, 2023: ₹ Nil) and does not include Interest Accrued and not due of ₹ 1 lakhs (March 31st, 2023: ₹ Nil) and overdue interest ₹ Nil (March 31st, 2023: ₹ 37,470 lakhs)

* In terms of the approved resolution plan, in case of early recoveries from the underlying assets, the Company shall have option to make accelerated payment on NCDs at a pre defined discounting rate for computing net present value on the date of accelerated payment. NCDs, if outstanding at the end of respective redemption date from the date of allotment shall be transferred to the security receipt holders in the ratio of their holding of the security receipts issued by the NARCL Trust- 0007 (Refer Note No.64).

** In terms of the approved resolution plan accelerated payment made to NARCL Trust - 0007 against NCD 1 on March 27th, 2024 basis NPV @ 8% for ₹ 18,291 lakhs

Security:

The Secured Non-Convertible Debentures are secured by first pari-passu charge on receivables of the Company, both present and future, from its assets.

15.2 Long-Term Infrastructure Bond

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lakhs)		Interest rate (%)	Earliest redemption date
		As at March 31st, 2024 @	As at March 31st, 2023 (Refer Note No. 1.2, 64, 65, 66 & 67 to the Financial Statements for the year ended March 31st, 2023) *		
22 March 2012	1,000	-	967	11.15%	22 March 2027
22 March 2012	1,000	-	1,055	10.90%	22 March 2022
Total		-	2,022		

The above debentures are redeemable at par in single instalment.

* Does not include Interest Accrued and not due ₹ Nil (March 31st, 2023: ₹ Nil) and overdue interest ₹ Nil (March 31st, 2023: ₹ 2,027 lakhs).

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the debenture holders and thereafter new instruments issued and remaining liabilities has been extinguished.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

16. Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at March 31st, 2024				As at March 31st, 2023			
	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
SECURED (Refer Note No. 1.2 and 62)								
(a) Term Loans								
(i) From Banks								
Rupee loans	-	-	-	-	2,19,881	-	-	2,19,881
Foreign currency loans	-	-	-	-	95,196	-	-	95,196
(ii) From Others								
Rupee loans	-	-	-	-	2,07,630	-	-	2,07,630
Foreign currency loans	-	-	-	-	74,778	-	-	74,778
(b) Working capital facilities (Refer Note No.16.2)								
(i) From Banks								
Rupee loans	-	-	-	-	20,02,432	-	-	20,02,432
(c) Collateralised Borrowings (Refer Note No.16.3)	525	-	-	525	3,251	-	-	3,251
UNSECURED (Refer Note No. 1.2 and 62)								
(a) Term Loans (Refer Note No.16.4)								
(i) From Banks								
Foreign currency loans	-	-	-	-	31,765	-	-	31,765
(ii) From Others								
Foreign currency loans	-	-	-	-	25,178	-	-	25,178
(b) Deferred payment liabilities (Refer Note No.16.5)	-	-	-	-	9,123	-	-	9,123
(c) Inter corporate deposit (Refer Note No.16.6)	-	-	-	-	106	-	-	106
Total	525	-	-	525	26,69,340	-	-	26,69,340
Borrowings in India	525	-	-	525	24,42,423	-	-	24,42,423
Borrowings outside India	-	-	-	-	2,26,917	-	-	2,26,917
Total	525	-	-	525	26,69,340	-	-	26,69,340

SREI EQUIPMENT FINANCE LIMITED
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16.1 Secured Term Loans

Particulars	Outstanding	Repayment terms					Balance tenure (years)	Rate of Interest per annum	Nature of security
	(₹ in Lakhs)	(₹ in Lakhs)							
	As at March 31st, 2024@	Overdue	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans									
From Banks	-	-	-	-	-	-	-	-	
From Financial Institutions	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	
Foreign currency term loans									
From Banks	-	-	-	-	-	-	-	-	
From Financial Institutions	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the lenders and thereafter new instruments issued and remaining liabilities has been extinguished.

Particulars	Outstanding	Repayment terms					Balance tenure (years)	Rate of Interest per annum	Nature of security (Refer Note No. 74 to the Financial Statements for the year ended March 31st, 2023)
	(₹ in Lakhs)	(₹ in Lakhs)							
	As at March 31st, 2023	Overdue @@	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans									
From Banks	2,19,881	2,19,881	-	-	-	-	0 - 3	8%-19%	Hypothecation of specific assets covered by hypothecation loan agreements and / or lease agreements with customers and / or receivables arising there from.
From Financial Institutions	2,07,630	2,07,630	-	-	-	-	0 - 2	8%-16%	
Total	4,27,511	4,27,511	-	-	-	-			
Foreign currency term loans									
From Banks	95,196	95,196	-	-	-	-	0 - 2	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
From Financial Institutions	74,778	74,778	-	-	-	-	0 - 6	5%-12%	
Total	1,69,974	1,69,974	-	-	-	-			

@@ It includes interest overdue.

16.2 Secured Working capital facilities

In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the lenders and thereafter new instruments issued and remaining liabilities has been extinguished. For previous year refer note no. 1.2, 64, 65, 66 & 67 to the Financial Statements for the year ended March 31st, 2023. Further collateral security in the form of fixed deposits amounting to ₹ Nil (March 31st, 2023: ₹ 41 lakhs) is also given on behalf of the consortium.

- a) As at March 31st, 2024, Working capital facilities from banks include Working capital demand loans (WCDL) is ₹ Nil (March 31st, 2023: ₹ 6,85,646 lakhs). Rate of interest for WCDL is ₹ Nil (March 31st, 2023 : from 8% to 19% per annum). The above WCDL includes principal and interest overdue.
- b) As at March 31st, 2024, Working capital facilities from banks includes Funded Interest Term Loan (FITL) ₹ Nil (March 31st, 2023: ₹ 81,625 lakhs). Rate of interest for FITL is ₹ Nil (March 31st, 2023 : from 9% to 19% per annum). The above FITL amount includes principal and interest overdue.
- c) As at March 31st, 2024, for other working capital facilities (Cash credit) is ₹ Nil (March 31st, 2023: ₹ 12,35,162 lakhs) includes overdue interest, rate of interest is ₹ Nil (March 31st, 2023 : from 9% to 18% per annum).

16.3 Secured Collateralised Borrowings

Particulars	Outstanding	Repayment terms				Balance tenure (years)	Rate of Interest per annum	Nature of security
	(₹ in Lakhs)	(₹ in Lakhs)						
	As at March 31st, 2024	Overdue #	Monthly	Quarterly	Single instalment			
Collateralised Borrowings	525	-	525	-	-	0-2	13%	This represents amount against assignment of future lease rentals.
Total	525	-	525	-	-			

Does not include effective interest rate adjustment ₹ Nil and Interest accrued and not due ₹ 0.17 lakh.

The balance lying in escrow bank accounts in lieu of court injunction order has been adjusted with overdue amount.

Particulars	Outstanding	Repayment terms				Balance tenure (years)	Rate of Interest per annum	Nature of security
	(₹ in Lakhs)	(₹ in Lakhs)						
	As at March 31st, 2023	Overdue	Monthly	Quarterly	Single instalment			
Collateralised Borrowings	3,370	47	3,246	77	-	0-3	8%-13%	This represents amount against assignment of future lease rentals.
Total	3,370	47	3,246	77	-			

Does not include effective interest rate adjustment ₹ 134 lakhs and Interest accrued and not due ₹ 15 lakhs.

16.4 Unsecured term loans

Particulars	Outstanding	Repayment terms				Balance tenure (years)	Rate of Interest per annum
	(₹ in Lakhs)	(₹ in Lakhs)					
	As at March 31st, 2024 @	Overdue	Quarterly	Half yearly	Yearly		
Foreign currency term loan from bank	-	-	-	-	-	-	-
Foreign currency term loan from financial Institutions	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the lenders and thereafter new instruments issued and remaining liabilities has been extinguished .

Particulars	Outstanding	Repayment terms				Balance tenure (years)	Rate of Interest per annum
	(₹ in Lakhs)	(₹ in Lakhs)					
	As at March 31st, 2023	Overdue@	Quarterly	Half yearly	Yearly		
Foreign currency term loan from bank	31,765	31,765	-	-	-	3-6	<10%
Foreign currency term loan from financial Institutions	25,178	25,178	-	-	-	0-5	<10%
Total	56,943	56,943	-	-	-		

Pursuant to initiation of CIRP (Refer Note No. 1.2 to the Financial Statements for the year ended March 31st, 2023) amount outstanding as at March 31st, 2023 are overdue.

Does not include effective interest rate adjustment ₹ Nil and Interest accrued and not due ₹ Nil

@ It also includes interest overdue.

16.5 Unsecured Deferred payment liabilities

Particulars	Outstanding	Repayment terms					Balance tenure (years)	Rate of Interest per annum
	(₹ in Lakhs)	(₹ in Lakhs)						
	As at March 31st, 2024 @	Overdue	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the lenders and remaining liabilities has been extinguished.

Particulars	Outstanding	Repayment terms					Balance tenure (years)	Rate of Interest per annum
	(₹ in Lakhs)	(₹ in Lakhs)						
	(₹ in Lakhs)	(₹ in Lakhs)						
	As at March 31st, 2023	Overdue @	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities	9,123	9,123	-	-	-	-	0-1	0%-10%
Total	9,123	9,123	-	-	-	-		

@ It also includes interest overdue.

16.6 Inter-corporate deposits

Particulars	Outstanding	Repayment terms					Balance tenure (years)	Rate of Interest per annum
	(₹ in Lakhs)	(₹ in Lakhs)						
	As at March 31st, 2024 @	Overdue	Monthly	Quarterly	Half yearly	Single instalment		
Inter-corporate deposits	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the lenders and thereafter new instruments issued and remaining liabilities has been extinguished.

Particulars	Outstanding	Repayment terms					Balance tenure (years)	Rate of Interest per annum
	(₹ in Lakhs)	(₹ in Lakhs)						
	As at March 31, 2023	Overdue @	Monthly	Quarterly	Half yearly	Single instalment		
Inter-corporate deposits	106	106	-	-	-	-	-	7%
Total	106	106	-	-	-	-	-	

Does not includes Interest accrued and not due ₹ Nil.

@ It also includes interest overdue.

17. Subordinated Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2024				As at March 31st, 2023			
	Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
UNSECURED								
Subordinated perpetual debentures (Tier I Capital) (Refer Note No.17.1)	-	-	-	-	15,164	-	-	15,164
Rupee subordinated loans (Tier II Capital) (Refer Note No.17.2)	-	-	-	-	16,825	-	-	16,825
Redeemable Optionally Convertible Debenture-Unsecured (Tier II Capital) (Refer Note No.17.3)	6,236	-	-	6,236	-	-	-	-
Subordinated redeemable non convertible debentures (Tier II Capital)	-	-	-	-	2,30,469	-	-	2,30,469
Total	6,236	-	-	6,236	2,62,458	-	-	2,62,458
Subordinated Liabilities in India	6,236	-	-	6,236	2,62,458	-	-	2,62,458
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total	6,236	-	-	6,236	2,62,458	-	-	2,62,458

17.1 Unsecured subordinated perpetual debentures (Tier I Capital) *

During the year ended March 31st, 2024, the Company raised Unsecured subordinated perpetual debentures amounting ₹ Nil (March 31st, 2023 : ₹ Nil). As at March 31st, 2024, the amount of principal outstanding in respect of unsecured subordinated perpetual debentures is ₹ Nil (March 31st, 2023 : ₹ 13,750 lakhs). These perpetual debentures have call option as per contractual terms which is exercisable with prior approval of RBI. These perpetual debentures have a step up coupon rate of 100 basis points per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment.

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lakhs)		Interest rate (%)	Earliest call option date
		As at March 31st, 2024 @	As at March 31st, 2023 (Refer Note No. 1.2, 64, 65, 66 & 67 to the Financial Statements for the year ended March 31st, 2023)		
13 December, 2018	10,00,000	-	10,000	13.00%	13 December, 2028
30 December, 2011	10,00,000	-	3,750	14.50%	30 December, 2021
Total		-	13,750		

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the debenture holders and thereafter new instruments issued and remaining liabilities has been extinguished.

* Does not include overdue interest ₹ Nil (March 31st, 2023: ₹ 1,414 lakhs).

** Includes penal interest

17.2 Unsecured Rupee subordinated loans (Tier II Capital)

Particulars	Outstanding (₹ in Lakhs)	Repayment terms (₹ in Lakhs)			Balance tenure (years)	Rate of Interest per annum
		Overdue	Quarterly	Single instalment		
Rupee Subordinated term loans (Tier II Capital)	-	-	-	-	-	-
Total	-	-	-	-	-	-

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the debenture holders and thereafter new instruments issued and remaining liabilities has been extinguished .

Particulars	Outstanding (₹ in Lakhs)	Repayment terms (Refer Note No. 1.2, 64, 65, 66 & 67 to the Financial Statements for the year ended March 31st, 2023) (₹ in Lakhs)			Balance tenure (years)	Rate of Interest per annum
		Overdue @	Quarterly	Single instalment		
Rupee Subordinated term loans (Tier II Capital)	16,825	16,825	-	-	-	10%-11%
Total	16,825	16,825	-	-	-	

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

@ It also includes interest overdue.

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17.3 Unsecured subordinated redeemable non-convertible debentures (NCD-Tier II Capital) & optionally convertible debentures (OCD-Tier II Capital)

During the year ended March 31st, 2024, in terms of the approved resolution plan, the Company has issued subordinated optionally convertible debentures qualifying for Tier II Capital amounting ₹ 8,00,000 lakhs (March 31st, 2023 ₹ Nil). The following table sets forth, outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lakhs) #		Interest rate (%)	Earliest redemption date/ Balance tenure (years)*
		As at March 31st, 2024 @	As at March 31st, 2023 (Refer Note No. 1.2, 64, 65, 66 & 67 to the Financial Statements for the year ended March 31st, 2023)		
Private Placement:					
10 October, 2018	10,00,000	-	500	12.25%	10 October, 2028
23 June, 2017	10,00,000	-	4,500	11.00%	23 June, 2027
30 March, 2017	10,00,000	-	5,000	12.25%	30 March, 2027
04 November, 2016	10,00,000	-	1,000	11.85%	04 November, 2026
07 October, 2016	10,00,000	-	4,000	12.75%	07 October, 2026
04 October, 2016	10,00,000	-	1,500	12.75%	04 October, 2026
24 August, 2016	10,00,000	-	3,000	11.50%	24 August, 2026
26 May, 2016	10,00,000	-	350	12.25%	26 May, 2026
25 May, 2016	10,00,000	-	2,000	12.75%	25 May, 2026
31 March, 2016	10,00,000	-	2,000	12.00%	31 March, 2026
18 March, 2016	10,00,000	-	500	12.70%	18 March, 2026
05 February, 2016	10,00,000	-	500	12.60%	05 February, 2026
20 January, 2016	10,00,000	-	500	12.60%	20 January, 2026
11 January, 2016	10,00,000	-	1,500	12.60%	11 January, 2026
24 September, 2015	10,00,000	-	500	12.50%	24 September, 2025
20 August, 2015	10,00,000	-	1,000	12.50%	20 August, 2025
13 August, 2015	10,00,000	-	15,000	12.75%	13 August, 2025
16 March, 2015	10,00,000	-	500	13.00%	16 March, 2025
01 March, 2017	10,00,000	-	500	12.40%	01 June, 2024
03 July, 2018	10,00,000	-	5,000	12.25%	03 May, 2024
25 October, 2016	10,00,000	-	5,000	11.80%	25 April, 2024
10 March, 2017	10,00,000	-	7,500	12.95%	10 March, 2024
17 July, 2013	10,00,000	-	2,300	12.75%	17 July, 2023
29 June, 2013	10,00,000	-	3,540	12.75%	29 June, 2023
07 May, 2013	10,00,000	-	2,080	13.25%	07 May, 2023
24 September, 2015	10,00,000	-	1,200	12.40%	24 April, 2023
29 March, 2016	10,00,000	-	200	12.70%	29 March, 2023
28 March, 2013	10,00,000	-	1,650	13.25%	28 March, 2023
01 March, 2013	10,00,000	-	1,750	13.25%	01 March, 2023
28 January, 2013	10,00,000	-	700	13.80%	28 January, 2023
24 January, 2013	10,00,000	-	900	13.25%	24 January, 2023
24 January, 2013	10,00,000	-	6,070	13.80%	24 January, 2023
16 January, 2013	10,00,000	-	250	13.70%	16 January, 2023
16 January, 2013	10,00,000	-	7,000	13.85%	16 January, 2023
17 December, 2012	10,00,000	-	1,700	13.50%	17 December, 2022
31 October, 2012	10,00,000	-	490	13.70%	31 October, 2022
18 October, 2012	10,00,000	-	1,060	13.70%	18 October, 2022
28 September, 2012	10,00,000	-	2,890	13.70%	28 September, 2022
13 August, 2015	10,00,000	-	5,000	12.75%	13 August, 2022
31 July, 2012	1,00,000	-	1,206	13.50%	31 July, 2022
09 March, 2017	10,00,000	-	500	12.18%	09 June, 2022
01 June, 2012	1,00,000	-	1,130	13.50%	01 June, 2022
30 March, 2012	10,00,000	-	10,000	13.40%	30 March, 2022
12 January, 2012	1,00,000	-	8,410	13.90%	12 January, 2022
11 January, 2012	1,00,000	-	6,600	13.90%	11 January, 2022
23 December, 2011	1,00,000	-	6,905	13.90%	23 December, 2021
01 February, 2016	10,00,000	-	700	12.15%	01 May, 2021
24 September, 2015	10,00,000	-	2,360	12.30%	24 April, 2021
19 December, 2023 **	1,000	6,96,882	-	0.001%	18 December, 2031
19 December, 2023	1,000	25,716	-	0.001%	18 December, 2031
19 December, 2023	1,000	77,402	-	0.001%	18 December, 2031
Public Issue:					
24 January, 2019	1,000	-	1,428	12.75%-13.00%	10 years
08 August, 2017	1,000	-	56,199	11.25%-11.70%	5 - 10 years
16 March, 2018	1,000	-	2,702	11.12%-11.75%	10 years
Total		8,00,000	1,98,770		

@ In terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to the debenture holders and thereafter new instruments issued and remaining liabilities has been extinguished.

In terms of the approved resolution plan, the Company has issued OCD on December 19, 2023 having face value of ₹ 8,00,000 lakhs to various stakeholders and the same has been fair value at ₹ 6,028 lakhs on the initial date of recognition in the books of accounts. The difference between face value and fair value has been transferred to the restructuring reserve, which has been subsequently transferred to retained earnings of the Company. Further, interest to be provided for on the fair value of OCD at the rate of 12% per annum from the initial date of recognition.

Does not includes Interest Accrued and not due ₹ 208 lakhs (March 31st, 2023: ₹ Nil) and overdue interest ₹ Nil (March 31st, 2023: ₹ 31,699 lakhs).

*In terms of approved resolution plan, any recovery from underlying assets of the Company after payments of all NCDs shall be used to repay the OCDs .

In case of early recoveries from the underlying assets, the Company shall have option to make accelerated payment on the OCDs at a net present value (NPV) computed on the date of accelerated payment.

Conversion at the option of holder from the beginning of the 6th year till maturity. Conversion at the option of the Company at the end of 8 years. Any outstanding amount at the end of year 8 shall be converted into equity at fair value.

**OCDs of ₹ 151 lakhs pending for allotment as the application for allotment has not been made by Candor Kolkata One Hi-Tech Structures Pvt Ltd.

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18. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Trade deposits received	7,176	8,510
Payable to Srei Infrastructure Finance Limited*	20,000	-
Advance From Operating Lease customer	2,121	1,977
Payable to Employees	315	1,251
Liability for Operating Expenses	1,116	2,590
Financial Guarantee Contract Liability	-	105
Unclaimed debentures and interest accrued thereon (Refer Note No.68)	303	333
Total	31,031	14,766

*The Company is liable to pay remaining amount of ₹ 20,000 lakhs in the form of cash to SIFL out of total consideration of ₹ 50,000 lakhs for reduction of existing issued equity share capital of the Company from ₹ 7,902 lakhs to ₹ 100 lakhs in terms of the approved resolution plan.

19. Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Current Tax Liabilities [net of advance income tax of ₹ 24,053 lakhs (March 31st, 2023 : ₹ 23,976 lakhs)]	-	13,635
Total	-	13,635

20. Provisions

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Provision for Gratuity	23	-
Provision for compensated absence	130	321
Others	-	-
Provision against disputed statutory dues under litigation (Refer Note No.62)	-	15,008
Total	153	15,329

21. Other Non-Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Pre-received amount for lease contracts	33	93
Deffered Interest on secured non convertible debentures	1,33,639	-
Interest Capitalisation Account	-	1,878
Statutory dues payable	1,165	1,857
Total	1,34,837	3,828

22. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Authorised ** Equity shares, ₹ 10/- face value 4,00,00,00,000 (March 31st, 2023 : 50,00,00,000) Equity shares	4,00,000	50,000
Preference shares, ₹ 100/- face value 17,00,00,00,000 (March 31st, 2023 : 5,00,00,000) Preference shares	17,00,000	50,000
	21,00,000	1,00,000
Issued, Subscribed and fully paid-up ** Equity shares, ₹ 10/- face value 10,00,000 (March 31st, 2023 : 7,90,16,415) Equity shares	100	7,902
Compulsory Convertible Preference Shares (CCPS), ₹ 100/- par value * 1,16,91,68,206 (March 31st, 2023 : Nil) Compulsory Convertible Preference Shares	11,69,168	-
Total	11,69,268	7,902

*In terms of the approved resolution plan, any recovery from underlying assets of the Company to redeem the CCPS on a 'payable when able' model. At the end of tenure of 8 years, balance CCPS, if any, shall be compulsorily converted into equity shares on a one-for-one basis. (Refer Note No.1.2 and 62)

**The Company has filed necessary e forms with Registrar of Companies (ROC) for increase of authorised share capital for which approval from ROC is pending and application for reduction of share capital will be filed subsequently.

22.1.1 Reconciliation of the number of Equity Shares outstanding

a.The reconciliation of the number of Equity Shares outstanding and the corresponding amount thereof as at the Balance Sheet date is set out below:

Particulars	As at March 31st, 2024		As at March 31st, 2023	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	7,90,16,415	7,902	7,90,16,415	7,902
Add: Issued during the year *	6,44,12,43,266	6,44,124	-	-
Less: Reduction of equity shares during the year*	(6,51,92,59,681)	(6,51,926)	-	-
At the end of the year	10,00,000	100	7,90,16,415	7,902

* Issuance of Equity share capital and followed by subsequent capital reduction in terms of approved resolution plan as mentioned below (Refer Note no.1.2 and 62) :-

a. For extinguishment of remaining liabilities of employees and workmen, operational creditors, government authorities, financial creditors after necessary payments in terms of approved resolution plan.

b. Part of the existing issued share capital of the Company held by Srei Infrastructure Finance Limited (SIFL) amounting to ₹ 7,802 lakhs has been cancelled and extinguished by way of capital reduction.

22.1.1 Reconciliation of the number of Compulsory Convertible Preference Shares outstanding

b.The reconciliation of the number of Preference Shares outstanding and the corresponding amount thereof as at the Balance Sheet date is set out below:

Particulars	As at March 31st, 2024		As at March 31st, 2023	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	-	-	-	-
Add: Issued during the year in terms of the approved resolution plan	1,16,91,68,206	11,69,168	-	-
At the end of the year	1,16,91,68,206	11,69,168	-	-

22.1.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised capital consists of two classes of shares referred to as Equity Shares and Preference Shares having face value of ₹ 10/- each and ₹ 100/- each, respectively. Each holder of Equity Shares is entitled to one vote per share. Preference shareholders have a preferential right over equity shareholders, in respect of repayment of capital and payment of dividend.

The Company declares and pays dividend/ interim dividend in Indian rupees. The dividend / interim dividend, if any, proposed by the Board of Director of the Company (Refer Note No. 1.2 and 62) is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

Class of shares and names of shareholders	As at March 31st, 2024		As at March 31st, 2023	
	No. of shares	% held	No. of shares	% held
Equity shares, ₹ 10/- face value				
Srei Infrastructure Finance Limited (Holding Company)	10,00,000	100	7,90,16,415	100

22.1.4 The details of shares held by promoters* as at March 31st, 2024 (Refer Note no. 62) :

Shares held by promoters at the end of the year			% change during the year
Promoter Name	No. of Shares**	% of total shares	
Srei Infrastructure Finance Limited (Holding Company) §	10,00,000	100	-

§ Including nominee shareholders

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

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

§ Including nominee shareholders

* Promoter here means promoter as defined in the Companies Act, 2013

** Class of shares is Equity Shares, ₹ 10/- face value

22.1.5 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

During the year ended March 31st, 2024, the Company has given the impact of implementation of approved resolution plan and had allotted 642,07,43,582 equity shares of ₹ 10 each amounting to ₹ 6,42,074 lakhs and subsequently cancelled for extinguishment of remaining liabilities of employee and workmen, operational creditors, government authorities and financial creditors.

Further, the existing equity share capital of the Company held by SIFL has been reduced from 790,16,415 equity shares of ₹ 10/- each amounting to ₹ 7,902 lakhs to 10,00,000 equity shares of ₹ 10 each amounting to ₹ 100 lakhs in terms of approved resolution plan.

Further, the Company has allotted, 1,16,91,68,206 nos of CCPS of ₹ 100 each amounting to ₹ 11,69,168 lakhs in lieu of discharging liabilities towards remaining financial debts of the Company.

In the financial year 2019-20, the Company had given the effect of the BTA (Refer Note No. 62) with its Holding Company, SIFL wef October 1st, 2019. Accordingly, the Company had allotted 1,93,56,415 equity shares of ₹ 10/- each to SIFL at a premium of ₹ 481/- per share thereby increasing the share capital by ₹ 1,936 lakhs and securities premium by ₹ 93,104 lakhs. The Company has not issued any shares without payment being received in cash from the financial year 2017-18 to financial year 2018-19 and financial year 2020-21 to financial year 2022-23

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

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

23. Other Equity

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	40,822	40,822
Less: Transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan	(40,822)	-
Closing balance	-	40,822
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	15,770	15,770
Less: Transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan	(15,770)	-
Closing balance	-	15,770
Capital Reserve		
Opening balance	2,403	2,403
Less: Transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan	(2,403)	-
Closing balance	-	2,403
Securities Premium		
Opening balance	1,97,084	1,97,084
Less: Transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan	(1,97,084)	-
Closing balance	-	1,97,084
Debenture Redemption Reserve		
Opening balance	39,824	39,824
Add: Transferred from Retained Earnings	-	-
Less: Transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan	(39,824)	-
Closing balance	-	39,824
Restructuring Reserve (created in terms of the approved resolution plan) (Refer Note No.62)		
Opening balance	-	-
Add: Created in terms of the approved resolution plan	22,31,952	-
Less: Transferred to retained earnings in terms of the approved resolution plan	(22,31,952)	-
Closing balance	-	-
Retained Earnings		
Opening balance	(26,42,080)	(14,74,437)
Add: Profit/(Loss) after tax for the year	(7,64,729)	(11,21,928)
Add: Other Comprehensive Income (net of tax)	(72)	(182)
Add: Transfer from restructure reserve account to retained earnings in terms of the approved resolution plan	22,31,952	-
Amount available for appropriation	(11,74,929)	(25,96,547)
Appropriations:		
Less: Amount transferred to Impairment Reserve (Refer Note No.62)	(5,380)	(45,533)
Add: Amount transferred from Debt Redemption Reserve on Redemption	-	-
Add: Amount transferred from Equity Instruments through Other Comprehensive Income	-	-
Closing balance	(11,80,309)	(26,42,080)
Impairment Reserve		
Opening balance	6,15,996	5,70,463
Add: Addition during the year	5,380	45,533
Less: Transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan	(6,21,376)	-
Closing balance	-	6,15,996
Debt Instruments through Other Comprehensive Income		
Opening balance	229	948
Add: Addition/(Reduction) during the year	(229)	(719)
Closing balance	-	229
Total	(11,80,309)	(17,29,952)

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024****23. Other Equity (continued)****Nature and purpose of Reserves****Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934) :**

Every year the Company transfers a sum of not less than twenty percent of net profit after tax of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IC of The Reserve Bank of India Act, 1934.

The conditions and restrictions for distribution attached to Special Reserve is as follows:

No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

The existing balance of above stated reserve has been transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan.

Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961) :

The existing balance of above stated reserve has been created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961 and any withdrawal from same will be taxable as per provisions of the Income Tax Act, 1961.

The balance of existing reserve has been transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan.

Capital Reserve:

Pursuant to the scheme of arrangement (the Scheme) between BNP Paribas Lease Group (BPLG) and SIFL, approved by shareholders and sanctioned by Hon'ble High Court of Calcutta vide order of 28th January 2008, and further in the financial year 2019-20, the Company has given the effect of the BTA with its Holding Company, SIFL w.e.f 1st October, 2019. The surplus, being the difference between the net book value of assets and liabilities taken over and shares issued as consideration has been accounted for as Capital Reserve in the books of the Company.

The existing balance of above stated reserve has been transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan.

Securities Premium:

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

The existing balance of above stated reserve has been transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan.

Debenture Redemption Reserve (DRR):

Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19th, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to DRR and no DRR is required in case of privately placed debenture.

As per the notification G.S.R. 574(E) dated August 16th, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR is not required for debentures issued by NBFCs regulated by Reserve Bank of India for both public as well as private placement debentures.

The existing balance of above stated reserve has been transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan.

Restructuring Reserve

This reserve represents the effect of the approved resolution plan, which was subsequently transferred to retained earnings in terms of the approved resolution plan.

Retained Earnings:

This reserve represents the cumulative profits/(loss) of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

Impairment Reserve:

Impairment reserve created pursuant to paragraph 2 (b) of Annex to the guidelines DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI on Implementation of Indian Accounting Standards for Non-Banking Finance Companies and Asset Reconstruction Companies comprises of the excess provision as per Income Recognition, Asset classification and Provisioning norms (IRAC norms) as compared to the provision as per the ECL model adopted by the Company.

The existing balance of above stated reserve has been transferred to restructuring reserve account and subsequently transferred / adjusted to retained earnings in terms of the approved resolution plan (Refer Note No.62).

Debt Instruments through Other Comprehensive Income:

Debt instruments measured at Fair Value through Other Comprehensive Income (FVTOCI) are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses on account of fair value changes are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on account of change in Fair Value of Equity Instruments measured at FVTOCI, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

24. Interest Income

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024				For the year ended March 31st, 2023			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans	-	31,480	3,008	34,488	389	1,14,447	2,999	1,17,835
Interest income from Investment	-	528	522	1,050	-	527	424	951
Interest on Fixed Deposits with Banks	-	9,998	-	9,998	-	9,617	-	9,617
Total	-	42,006	3,530	45,536	389	1,24,591	3,423	1,28,403

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

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024			For the year ended March 31st, 2023		
	Net Gain	Net Loss	Total	Net Gain	Net Loss	Total
Net gain/ (loss) on financial instruments at fair value through profit or loss						
(i) Trading Portfolio						
- Derivatives	-	-	-	-	-	-
(ii) Others						
- Investments	-	(23,131)	(23,131)	-	(11,415)	(11,415)
- Loan	-	(3,130)	(3,130)	-	(116)	(116)
- Claims Receivable	-	(62,196)	(62,196)	1,825	-	1,825
Total Net gain/(loss) on fair value changes	-	(88,457)	(88,457)	1,825	(11,531)	(9,706)
Fair Value changes:						
-Realised	-	(15,681)	(15,681)	-	-	-
-Unrealised	-	(72,776)	(72,776)	1,825	(11,531)	(9,706)
Total Net gain/(loss) on fair value changes	-	(88,457)	(88,457)	1,825	(11,531)	(9,706)

26. Others

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Liabilities no longer required written back	380	304
Income from joint controlled operation	1,874	1,928
Others	202	742
Total	2,456	2,974

27. Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Net gain/ (loss) on derecognition of property, plant and equipment	988	-
Others*	10,373	1,617
Total	11,361	1,617

* Includes unwinding Income of Deferred interest of NCD of ₹ 10,048 lakhs out of which ₹ 1,092 lakhs on account of accelerated payment of NCD-1 (March 31st, 2023: ₹ Nil).

28. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024			For the year ended March 31st, 2023 (Refer Note No. 67 to the Financial Statements for the year ended March 31st, 2023)		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on Borrowings	-	4,925	4,925	-	6,077	6,077
Interest on Debt Securities	-	8,958	8,958	-	392	392
Interest on Subordinated Liabilities	-	208	208	-	874	874
Other Interest Expense	-	123	123	-	262	262
Total	-	14,214	14,214	-	7,605	7,605

29. Impairment on Financial Instruments (Net)

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024			For the year ended March 31st, 2023		
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	Total	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	Total
Loans	(229)	6,59,164	6,58,935	(424)	1,52,117	1,51,693
Others	-	2,278	2,278	-	1,747	1,747
Total	(229)	6,61,442	6,61,213	(424)	1,53,864	1,53,440

30. Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Salaries and Wages	5,388	7,534
Contribution to provident and other funds*	445	522
Staff Welfare Expenses	86	86
Total	5,919	8,142

* This includes amount expended under defined contribution plans for the year ended March 31st, 2024 of ₹ 360 lakhs (For the year ended March 31st, 2023 of ₹ 423 lakhs).

31. Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Rates & Taxes	87	66
Rent	382	627
Electricity charges	163	187
Repairs and Maintenance - Machinery	1,758	1,846
- Others	478	556
Communication Costs	166	183
Printing and Stationery	46	61
Advertisement and Subscription	15	9
Director's fees, Allowances and Expenses	7	-
Auditor's Fees and Expenses (Refer Note No.31.1)	263	307
Legal and Professional charges	3,658	3,549
Insurance	351	400
Travelling and Conveyance	835	1,060
Net loss on derecognition of Property, Plant and Equipment	-	7,555
Repossession Expenses	280	333
Corporate Social Responsibility Expenses (Refer Note No.31.2 and 62)	-	-
CIRP Expense (Refer Note No.31.3 and 62)	5,880	1,505
Other Expenditure	49	(16)
Total	14,418	18,228

31.1 Payments to the Auditor (including GST)

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
As Auditor - Statutory Audit, Interim Audit & Limited Reviews	179	207
As Auditor - Tax Audit	14	27
Other Services (Certification etc.)	32	42
For Reimbursement Expenses	38	31
Total	263	307

31.2 Corporate Social Responsibility Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount of expenditure incurred (paid in cash)	-	-
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	523
(e) Reason for shortfall	Refer Note No. 62	Refer Note No. 72*
(f) Nature of CSR activities	Not Applicable	Not Applicable
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	Not Applicable
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable

*Financial Statements for the year ended March 31st, 2023

31.3 CIRP Expense

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Professional Fees	1,731	1,248
Fees to Insolvency and Bankruptcy board of India as per IBC Code (Refer Note No.62)	4,073	-
Manpower Cost	50	137
Reimbursement of expenses	6	91
Other Expenses	20	29
Total	5,880	1,505

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

32. Earnings Per Share

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Net Profit attributable to Equity Shareholders (₹ in Lakhs)	(7,64,729)	(11,21,928)
Weighted average number of Equity Shares Basic (Nos.)	5,68,47,816	7,90,16,415
Weighted average number of Equity Shares including CCPS Diluted (Nos.)	36,67,09,335	7,90,16,415
Nominal Value of Equity per share (in ₹)	10	10
Nominal Value of CCPS per share (in ₹)	100	-
Basic Earnings per share (in ₹)	(1345.22)	(1419.87)
Diluted Earnings per share (in ₹)	(208.54)	(1419.87)

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

Particulars	(₹ in Lakhs)	
	Balance as at March 31st, 2024	Balance as at March 31st, 2023
Deferred Tax Liabilities on		
Property, Plant and Equipment and Intangible Assets	-	4,111
Gross deferred tax liabilities	-	4,111
Deferred Tax Assets on		
Property, Plant and Equipment and Intangible Assets	3,981	-
Financial assets and liabilities at fair value	50,917	26,407
Financial assets and liabilities at amortised cost	14,602	18,055
Loss under Income Tax	5,87,776	4,26,078
Expenses allowable for tax purpose when paid	40,196	40,200
Other timing differences	6	(32)
Gross deferred tax assets	6,97,478	5,10,708
Deferred tax liabilities/(Assets) (Net) *	(6,97,478)	(5,06,597)

* The Company as a matter of prudence has not recognised deferred tax assets as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024
34. Contingent Liabilities and Commitments (to the extent not provided for)
(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023 *
Contingent liabilities (Refer Note no. (i))		
Claims against the Company not acknowledged as debt		
Disputed demands		
- Entry Tax [deposits made under protest March 31st, 2024: ₹ 1 lakh (March 31st, 2023 : ₹ 1 lakh)]	-	-
- Value Added Tax (VAT) [deposits made under protest March 31st, 2024: ₹ 186 lakhs (March 31st, 2023 : ₹ 186 lakhs)]	-	1,212
- Central Sales Tax [deposits made under protest March 31st, 2024: ₹ 1 lakh (March 31st, 2023 : ₹ 1 lakh)]	-	-
- Service tax [deposits made under protest March 31st, 2024: ₹ 455 lakhs (March 31st, 2023 : ₹ 455 lakhs)]	-	1,410
- Income Tax [deposits made under protest March 31st, 2024: ₹ 672 lakhs (March 31st, 2023 : ₹ 672 lakhs)]	-	6,931
- Goods and Services Tax [deposits made under protest March 31st, 2024: ₹ 2 lakhs (March 31st, 2023 : ₹ Nil)]	-	-
(A) **	-	9,553
Disputed demands ##		
- Service Tax [deposits made under protest March 31st, 2024: ₹ 4 lakhs (March 31st, 2023: ₹ 4 lakhs)]	-	382
- Income Tax	-	-
(B) ***	-	382
Bank guarantees	-	79
(C)	-	79
Total (A+B+C)	-	10,014
Commitments		
Estimated amount of capital contracts remaining to be executed (Net of advance)	\$	-
Payable to SIFL ₹ 10,000 lakhs per year for the first two years towards business rationalisation cost.	20,000	-

\$ ₹ 25,000/-

(i) In terms of the approved resolution plan, all contingent liabilities and Other commitments on account of implementation of the resolution plan has been permanently extinguished, discharged and settled (Refer Note no. 1.2 and 62)

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

Based on the directions of RBI, during the year ended March 31st, 2022 the Company has made provision amounting to ₹ 9,807 lakhs and ₹ 4,991 lakhs in respect of direct tax cases and indirect tax cases respectively where the Company was under various stages of appeal with the relevant tax authorities (Refer Note No. 71 for the year ended March 31st, 2023), details of which is as given below :

** Entry Tax - ₹ 30 Lakhs, Value Added Tax - ₹ 86 Lakhs, Central Sales Tax - ₹ 1 Lakhs, Service tax - ₹ 400 Lakhs, Income Tax - ₹ 225 Lakhs

*** Central Sales Tax - ₹ 211 Lakhs, Service tax - ₹ 4,263 Lakhs, Income Tax - ₹ 9,582 Lakhs

Further, during the year ended March 31st, 2023 the Company had made provision amounting to ₹ 7 lakhs in respect of indirect tax cases with the relevant tax authorities details of which is as given below :

Goods and Service Tax - ₹ 5 lakhs, Value Added Tax - ₹ 2 lakhs.

Further during the year ended March 31st, 2024, the Company has received appellate order pertaining to entry tax demand, whereby the Company has been granted relief to the extent of ₹ 17 lakhs from the original demand of ₹ 19 lakhs. Accordingly, the provision has been reduced to such extent. Further In terms of the approved resolution plan, no amount was payable to the statutory authorities and hence all such provisions as stated above required based on the direction of the RBI were extinguished by following the capital reduction.

During the year ended March 31st, 2020, the Company has given the effect of the BTA with its Holding Company, SIFL w.e.f October 1st, 2019, by virtue of which the Company has undersigned to repay any liability with respect to disputed demands for the Transferred Undertaking (Refer Note no. 62), if any arising in future. Accordingly the same has been shown as contingent liability.

35. Financial Guarantees
(₹ in Lakhs)

Particulars	As at March 31st, 2024*	As at March 31st, 2023
Bank Guarantee @	-	29,185
Corporate Guarantee @@	-	2,330
Total	-	31,515

@ Represents bank guarantees issued on behalf of the customer and other parties.

'@ Includes ₹ Nil (March 31st, 2023 : ₹ 301 lakhs) issued on behalf of its holding Company including out of banks credit line which was transferred to the Company as part of BTA (refer Note No. 62).

@@ Represents corporate guarantee issued on behalf of the customers.

* Refer Note No. 1.2 and 62

36. Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in Lakhs)		Title deeds held in the name of	Whether title deed holder is promoter*, director or relative # of promoter/ director or employee of promoter/ director	Property held since which date \$	Reason for not being held in the name of the Company
		As at March 31st, 2024	As at March 31st, 2023				
Property, Plant and Equipment	Building	3897 ##	3895 ##	Srei Infrastructure Finance Limited	Promoter	October-2019	These immovable properties were transferred to the Company pursuant to the BTA (Refer Note No. 62) entered by the Company with its Holding Company, SIFL. These immovable properties are still in the name of SIFL.
	Building	59 ##	59 ##	Srei Infrastructure Finance Limited	Promoter	January-2008	These immovable properties were transferred to the Company pursuant to the Scheme of Arrangement approved by the shareholders and sanctioned by the Hon'ble High Court of Calcutta vide Order of 28th January 2008, on a slump sale basis, pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 with effect from 1st January 2008 ('Appointed Date').
	Land	4 ##	4 ##	Srei Infrastructure Finance Limited	Promoter	January-2008	
Other Non-Financial Assets - Assets acquired in satisfaction of debt	Land	11,800	11,800	Murti Housing and Finance Private Limited	No	September-2017	The immovable property was transferred to the Company pursuant to the BTA (Refer Note No. 62) entered by the Company with its Holding Company, SIFL.
	Land	1,065	1,065	Deccan Chronicle Secunderabad Private Limited Deccan Chronicle Rajahmundry Private Limited	No	June-2018	Due to procedural issues, title deeds are not registered in the name of the Company.
	Land	1,255	1,255	Krystine Vintrade Pvt Ltd Balanced Dealers Pvt.Ltd Shivdhan Sales Pvt Ltd Wellknown Vinimay Pvt Ltd Malank Dealtrade Pvt Ltd Balanced Commotrade Pvt Ltd Kavya Dealmark Pvt Ltd Alaukik Commercial Pvt Ltd Kripa Dealmark Pvt Ltd	No	March-2016	
	Land and Building	2,400	2,400	Kakarlapudi Venkata Madhava Varma Raj kumar Pandey Sri Kothapalli Vijaya Gajapathi Subba Rayudu	No	September-2015	
	Building	57	57	Sierra Constructions Pvt Ltd	No	September-2016	
	Land	255	255	Kabbalamma, Smt. Sukanya & Sri Prasanna	No	September-2015	
	Building	3,200	3,200	Wianxx Impex Private Limited	No	September-2017 December-2017 March-2018 June-2018	
	Land	342	342	Apex Encon Projects Pvt Ltd	No	March-2014 September-2014	
	Land	1031	1031	Yatin Vintrade Pvt Ltd Sanyam Tradelink Pvt Ltd SPK Food Product Pvt Ltd Original Distributors Pvt Ltd Jalram Tradeling Pvt Ltd Amardhan Mercantile Pvt Ltd Shivdhan Vintrade Pvt Ltd Overtop Vincom Pvt Ltd Oviation Marketing Pvt Ltd Safal Commodity Pvt Ltd	No	December-2014 June-2015	
	Land	124	124	S Kandhswamy	No	March-2013	
	Land	1600	1600	Abhijit Technochem Limited	No	December-2014	
	Land	1223	1223	Cherry Dealers Pvt Ltd Preview Dealers Pvt Ltd Famous Suppliers Pvt Ltd Juhi Telecom Pvt Ltd Sarvopriya Tradecom Pvt Ltd Swarnabhumi Vanija Pvt Ltd Shaktiman Commercials Pvt Ltd	No	December-2014 June-2015 September-2015	

36. Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in Lakhs)		Title deeds held in the name of	Whether title deed holder is promoter*, director or relative # of promoter/ director or employee of promoter/ director	Property held since which date \$	Reason for not being held in the name of the Company
		As at March 31st, 2024	As at March 31st, 2023				
Other Non-Financial Assets - Assets acquired in satisfaction of debt	Land	1050	1050	Navaj Constructions Pvt Ltd Kripa Educational Institutions Pvt Ltd Aparajitha Institutions Swatantra Infrastructure Pvt Ltd Jeeet Projects	No	December-2014	Due to procedural issues, title deeds are not registered in the name of the Company.
	Land	335	335	Kodur Developers Suhass Infradevelopers Trigya Infradevelopers Darpan House Pvt Ltd Lahar Infrastructure Pvt Ltd Marg Properties Pvt Ltd Trijal Infrastructures Pvt Ltd	No	December-2014	
	Land	115	115	Pathang Constructions Pvt Ltd Kodure Deveopers Pvt Ltd	No	December-2014	
	Land	1209	1209	Udant Vintrade Pvt Ltd Pinkrose Vinimay Pvt Ltd Linkplan Shoppers Pvt Ltd Swarnaganga Vinimay Pvt Ltd Virat Vintrade Pvt Ltd Memorable Vincom Pvt Ltd Forever Tradecomm Pvt Ltd	No	December-2014 June-2015	
	Building	835	835	B Ravi Kalyan Reddy	No	June-2013	
	Land	440	440	Sudesh Shiram Mallik Siddharth Sriram Malik	No	December-2014	
	Land and Building	98	98	Binod Kumar Singh Binod Singh Constructions Pvt Ltd	No	May-2017	
Total (Gross carrying value)		28,434	28,434				
Less : Provision/ Fair value impact		(28,434)	(28,434)				

* Promoter here means promoter as defined in the Companies Act, 2013.

Relative here means relative as defined in the Companies Act, 2013.

This represents Gross Block of PPE.

\$ Month and year since the property is acquired/ credit given by the Company

37. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder during the year ended March 31st, 2024 and March 31st, 2023.

38. Relationship with Struck off Companies

(₹ in Lakhs)				
Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on March 31st, 2024 \$	Balance outstanding as on March 31st, 2023 \$	Relationship with the Struck off Company, if any, to be disclosed #
Four Seasons Hotel Private Limited	Payable (Fooding & Hotel Expense)	-	*	Not Applicable
Grandways Courier Services Private Limited	Payable (Postage & Courier)	-	**	Not Applicable
Vishal Packaging Private Limited	Receivables (Loans outstanding)	24	24	Not Applicable
Uday Associates Private Limited	Receivables (Loans outstanding)	7	6	Not Applicable
Bhatti Automobiles Private Limited	Receivables (Loans outstanding)	38	36	Not Applicable
Ishanika Plywoods Private Limited	Receivables (Loans outstanding)	34	34	Not Applicable
Shakti Infraestate And Trade Mart private Limited	Receivables (Loans outstanding) @	-	-	Not Applicable
Rajbala RBR Realcon Pvt. Ltd.	Receivables (Loans outstanding)	4	4	Not Applicable
Highway Roadlines Private Limited ***	Receivables (Loans outstanding)	31	-	Not Applicable
		Gross Outstanding	138	104
		Less: Provision	(76)	(51)
		Net Outstanding	62	53

* ₹ 2,631

** ₹ 648

@ ₹ 48,983 (as at March 31st , 2023 ₹ 49,003 less provision amounting to ₹ 29448 (March 31, 2023 ₹ 25,861)

As per the definition of 'related party' under section 2(76) of the Act.

Reduction in balance outstanding amount is due to collection, written off etc.

*** Balance outstanding as on March 31st, 2023 ₹ 30 lakhs less provision amounting to ₹ 15 lakhs

\$ The current year and previous year figures are shown net of liability towards assignments.

39. Undisclosed Income

There are no transactions not recorded in the books of accounts during the year ended March 31st, 2024 and March 31st, 2023 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.

There are no previously unrecorded income and related assets to be recorded in the books of account during the year ended March 31st, 2024 and March 31st, 2023.

40. Registration of charges or satisfaction with Registrar of Companies (ROC)

Any charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof is disclosed as below:

Satisfaction yet to be registered with ROC

(₹ in Lakhs)

Facility Name	Charge ID	Date of charge Creation / Modification	Name of charge holder	Charge amount	
				As at March 31st, 2024	As at March 31st, 2023
Collateralised Borrowings	100407509	30/12/2020	The Karur Vysya Bank Limited	-	-
Collateralised Borrowings	100392693	11/12/2020	Siemens Financial Services Private Limited	1,587	-
Collateralised Borrowings	100390650	04/11/2020	The Karur Vysya Bank Limited	-	-
Collateralised Borrowings	100379993	29/09/2020	The Karur Vysya Bank Limited	-	-
Collateralised Borrowings	100369351	25/08/2020	The Karur Vysya Bank Limited	5,606	-
Collateralised Borrowings	100365165	31/07/2020	The Karur Vysya Bank Limited	-	-
Collateralised Borrowings	100291065	30/08/2019	The Karur Vysya Bank Limited	4,737	-
Collateralised Borrowings	100237421	17/01/2019	The Karur Vysya Bank Limited	-	-
Debt Securities	10515565	20/06/2014	IDBI Trusteeship Services Limited	-	-
Collateralised Borrowings	100275885	June 12th, 2019	Axis Trustees Services Limited	-	-
Debt Securities	100150739	December 28th, 2017	Catalyst Trusteeship Limited	-	500
Term Loans	100084037	March 16th, 2017	Small Industries Development Bank of India	-	10,000
Term Loans	100055724	September 26th, 2016	The Karur Vysya Bank Limited	-	7,500
Term Loans	10261668	November 24th, 2010	Axis Trustees Services Limited	-	36,800
Term Loans	100237513	January 8th, 2019	Axis Bank Limited	-	-
Term Loans	100359690	31/07/2020	Oesterreichische Entwicklungsbank AG	12,470	-
Term Loans	100281331	02/08/2019	Belgian Investment Company for Developing Countries NV SA-BIO	6,967	-
Term Loans	100248417	06/03/2019	National Bank for Agriculture and Rural Development	30,000	-
Term Loans	100223455	27/11/2018	Syndicate Bank	-	-
Term Loans	100204762	28/08/2018	National Bank for Agriculture and Rural Development	17,500	-
Term Loans	100190577	28/06/2018	National Bank for Agriculture and Rural Development	8,750	-
Term Loans	100180713	11/05/2018	National Bank for Agriculture and Rural Development	50,000	-
Term Loans	100159815	02/03/2018	FINNISH FUND FOR INDUSTRIAL COOPERATION LTD	11,926	-
Term Loans	100166748	28/02/2018	Societe de Promotion et de Participation pour la Cooperation Economique S.A. (PROPARCO)	21,489	-
Term Loans	100147683	17/01/2018	AXIS Trustee Services Limited	1,28,115	-
Term Loans	100144481	18/12/2017	DEG-Deutsche Investitions-UND Entwicklungsgesellschaft MBH	9,771	-
Term Loans	100123926	22/09/2017	ORIENTAL BANK OF COMMERCE	-	-
Term Loans	100111137	23/06/2017	National Bank for Agriculture and Rural Development	65,000	-
Term Loans	100088959	07/04/2017	AXIS Trustee Services Limited	8,049	-
Term Loans	100087080	21/03/2017	National Bank for Agriculture and Rural Development	50,000	-
Term Loans	100076643	25/01/2017	DEG-Deutsche Investitions-UND Entwicklungsgesellschaft MBH	17,039	-
Term Loans	100055724	26/09/2016	The Karur Vysya Bank Limited	-	-
Term Loans	10622418	25/02/2016	State Bank of India	-	-
Term Loans	10615205	28/12/2015	Syndicate Bank	-	-
Total				4,49,006	54,800

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

40. Registration of charges or satisfaction with Registrar of Companies (ROC)

Any charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof is disclosed as below:

Charges not yet registered with ROC

(₹ in Lakhs)

Facility Name	Name of lender	Reason for Non-registration	Amount *	
			As at March 31st, 2024	As at March 31st, 2023
Debt Securities	Catalyst Trusteeship Limited	Form CHG-9 filed with ROC but not approved ** (As at March 31st, 2022 : Form CHG-9 filed with ROC but yet to be approved **)	-	10,872
Debt Securities	Axis Trustee Services Limited	Form CHG-9 filed with ROC but yet to be approved **	-	86,739
Debt Securities	Axis Trustee Services Limited	Novation Agreement signed but Form CHG-9 not filed ** (As at March 31st, 2022 : Form CHG-9 filed with ROC but yet to be approved **)	-	81
Debt Securities	PNB Investment Services Limited.	Form CHG-9 filed with ROC but yet to be approved	4,50,638	-
Term Loans	HDFC Bank Limited	Form CHG-1 not filed with ROC	-	21
Term Loans	ICICI Bank Limited		-	25
Term Loans	Toyota Financial Services India Limited		-	38
Term Loans	Bank of India	Novation Agreement not signed **	-	38,101
Term Loans	Canara Bank		-	8,956
Term Loans	IFCI Limited		-	19,020
Term Loans	Indian Bank		-	6,862
Term Loans	Lakshmi Vilas Bank		-	1,113
Term Loans	Punjab and Sind Bank		-	3,953
Term Loans	Punjab National Bank		-	18,802
Term Loans	South Indian Bank Limited		-	295
Term Loans	State Bank of India		-	2,639
Term Loans	Union Bank of India		-	23,965
Working Capital Facilities ***	Consortium with Lead Bank Axis Bank Limited		-	8,78,861
Total			4,50,638	11,00,343

The Location of ROC is Kolkata

* This represents amount outstanding and does not include effective interest rate adjustment and interest accrued and not due.

** Refer Note No. 62

*** Includes WCDL, FITL and Cash credit

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

41. The Company has received show cause notices from few banks for declaring the Company as wilful defaulter and suitable replies for the same has been submitted by the Company to the best of our knowledge and information available. In accordance with the Resolution Plan and Section 32A of the Code, the liability of the Corporate Debtors for any offences committed prior to the commencement of the CIRP shall cease. Consequently, neither the Corporate Debtors nor the Resolution Applicant shall be prosecuted for any such offences from the NCLT Approval Date onward. Therefore, the Company shall not be considered a wilful defaulter for the pre-CIRP period, and the erstwhile promoters of the Company are responsible for addressing the show cause notices related to wilful default for the pre-CIRP period (Also Refer Note No.70).

42. The Company does not have any subsidiary as at March 31st, 2024 and March 31st, 2023 and accordingly clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

43. During the financial year 2023-24, the Company has not raised any borrowings from banks and financial institutions on the basis of security of current assets. Pursuant to initiation of CIRP (Refer Note No. 1.2), the Company had not filed quarterly returns or statements of current assets with banks or financial institutions for the quarter ended June 30th, 2023. The Hon'ble NCLT has approved the resolution plan on August 11th, 2023, accordingly in terms of the approved resolution plan (Refer Note No. 1.2 and 62) payment made to financial creditors and remaining liabilities has been extinguished. Hence quarterly returns or statements of current assets with banks or financial institutions for the quarters ended September 30th, 2023, December 31st, 2023 and March 31st, 2024 are not applicable.

During the previous year, pursuant to initiation of CIRP (Refer Note No. 1.2 to the financial statement for the year ended March 31st, 2023), the Company has not filed quarterly returns or statements of current assets with banks or financial institutions for the quarters ended June 30th, 2022, September 30th, 2022, December 31st, 2022 and March 31st, 2023.

Current assets for this purpose includes loans and other receivables which are expected to be realised within twelve months after the reporting date.

44. Utilisation of Borrowed funds and share premium:

(A) During the year ended as at March 31st, 2024 and March 31st, 2023, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(I) date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary.

(II) date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries alongwith complete details of the ultimate beneficiaries.

(III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries

(IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

(B) During the year ended as at March 31st, 2024 and March 31st, 2023, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(I) date and amount of fund received from Funding parties with complete details of each Funding party.

(II) date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries alongwith complete details of the other intermediaries' or ultimate beneficiaries.

(III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries

(IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

45. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31st, 2024 and March 31st, 2023.

46. Disclosure pursuant to Ind AS 19 - Employee Benefits

I. Defined Contribution Plan

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

Particulars	(₹ in Lakhs)	
	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Employer contribution towards:		
- Provident and other funds	353	414
- Employee State Insurance	6	9

II. Defined Benefit Plan

(A) Gratuity Fund :-

The Company makes periodic contributions to the Srei Equipment Finance Limited Employees' Gratuity Fund, a funded defined benefit-plan for qualifying employees. The trustees of the gratuity scheme for the employees of the Company have entrusted the administration of the scheme to the Life Insurance Corporation of India (LIC). The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(B) Long-term Compensated Absence :-

The employees' long-term compensated absence scheme, which is a Defined Benefit Plan is unfunded.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary cost inflation risk and demographic risk.

(a) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(b) Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at March 31st, 2024.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024
46.1. Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(₹ in Lakhs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	As at March 31st, 2024	As at March 31st, 2023	As at March 31st, 2024	As at March 31st, 2023
1. Change in the defined benefit obligation (DBO)				
Present value of obligation at the beginning of the year	1,204	1,111	79	78
Current Service Cost	94	101	97	94
Interest Cost	76	69	5	*
Settlement (Credit)/Cost	-	-	-	-
Past Service Costs - plan amendments	-	-	-	-
Acquisitions Cost/(Credit)	-	-	-	-
Actuarial (gain)/loss - experience	50	18	(6)	38
Actuarial (gain)/loss - demographic assumptions	16	-	(1)	-
Actuarial (gain)/loss - financial assumptions	5	166	**	13
Benefits paid	(300)	(261)	(118)	(144)
Present value of obligation at the end of the year	1,145	1,204	56	79
2. Change in plan assets				
Fair value of Plan Assets at the beginning of the year	1,332	773	-	-
Acquisitions adjustment	-	-	-	-
Interest income on plan assets	85	71	-	-
Contributions by the employer	5	747	-	-
Return on Plan assets greater/(lesser) than discount rate	-	2	-	-
Benefits paid	(300)	(261)	-	-
Fair value of Plan Assets at the end of the year	1,122	1,332		

* ₹ 41,800/-

** ₹ 26,440/-

Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is determined based on government bond rate

(₹ in Lakhs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	As at March 31st, 2024	As at March 31st, 2023	As at March 31st, 2024	As at March 31st, 2023
3. Amount recognised in Balance Sheet consists of : **				
Fair value of Plan Assets at the end of the year (A)	1,122	1,333	-	-
Present Value of Obligation at the end of the year (B)	1,145	1,204	56	79
Funded status [surplus/(deficit)] (A-B)	(23)	129	(56)	(79)
Net defined benefit Asset/(Liabilities) (A-B)	(23)	129	(56)	(79)

** Also includes DBO in respect of sick leave amounting to ₹ 75 lakhs as at March 31st, 2024 (As at March 31st, 2023 ₹ 242 lakhs).

(₹ in Lakhs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	For the year ended March 31st, 2024	For the year ended March 31st, 2023	For the year ended March 31st, 2024	For the year ended March 31st, 2023
4. Expenses recognised in the Statement of Profit and Loss consists of:				
Employee benefits expenses:				
Current Service cost	94	101	97	94
Net Interest cost	(9)	(2)	5	*
Actuarial (Gain) / Loss due to DBO experience	-	-	(7)	51
Actuarial (Gain) / Loss due to DBO assumptions changes	-	-	-	-
Total [A]	85	99	95	145
Other Comprehensive Income				
Actuarial (Gain) / Loss due to DBO experience	50	18	(6)	38
Actuarial (Gain) / Loss due to DBO assumptions changes	22	166	(1)	13
Actuarial (Gain) / Loss during the year	72	184	(7)	51
Return on Plan assets (greater)/lesser than discount rate	-	(2)	-	-
Actuarial (Gains) / Losses recognised in OCI [B]	72	182		
Adjustment for limit on net asset	-	-	-	-
Expense recognised during the year [A+B]	157	281	95	145

* ₹ 41,800/-

The expense for the Defined Benefits (referred to in note no. 46.1 above) are included in the line item under 'Contribution to Provident and other Funds' in Note No.30

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

46.2. Particulars in respect of post retirement defined benefit plans and long term employment benefits of the Company are as follows :-

Description	Gratuity (Funded) % Invested		Compensated absence (Unfunded) % Invested	
	As at March 31st, 2024	As at March 31st, 2023	As at March 31st, 2024	As at March 31st, 2023
5. Investment Details of Plan Assets				
Schemes of insurance- conventional products	100%	100%	Not Applicable	Not Applicable
6. Principle assumptions at the Balance Sheet date are as follows:				
Discount rate per annum	7.00%	7.20%	7.00%	7.20%
Salary escalation rate per annum	7.50%	7.50%	7.50%	7.50%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Method used	Projected Unit Credit Method		Projected Unit Credit Method	

46.3. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employee market.

46.4. Sensitivity Analysis

The sensitivity results below determine their individual impact on the plan's end of year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

Description	As at March 31st, 2024				As at March 31st, 2023			
	Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)	
	%	(₹ in Lakhs)	%	(₹ in Lakhs)	%	(₹ in Lakhs)	%	(₹ in Lakhs)
1. Discount Rate + 1%	-2.20%	(25)	-2.30%	(1)	-7.80%	(94)	-7.30%	(6)
2. Discount Rate – 1%	2.30%	26	2.50%	1	8.90%	107	8.40%	7
3. Salary Increase Rate + 1%	2.00%	23	2.40%	1	7.00%	85	8.30%	7
4. Salary Increase Rate – 1%	-1.90%	(22)	-2.40%	(1)	-6.50%	(78)	-7.40%	(6)

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

Description	As at March 31st, 2024		As at March 31st, 2023	
	Gratuity (Funded)	Compensated absence (Unfunded)	Gratuity (Funded)	Compensated absence (Unfunded)
Within 1 year	397	18	96	16
1-2 years	262	13	49	2
2-3 years	211	10	77	3
3-4 years	142	7	112	5
4-5 years	110	6	95	4
5-10 years	210	11	905	35

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

46.6. Weighted average duration of the defined benefit obligation is 9 years for compensated absence (unfunded) (Previous years : 10 years) and 9 years for gratuity (funded) (Previous year: 9 years)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

47. Disclosure pursuant to Ind AS 24, Related Party Disclosures

List of Related Parties

Entities related to the Company

Name	Nature of Relationship
Adisri Commercial Private Limited (ceased with effect from December 19th, 2023)	Ultimate Parent Company
Srei Infrastructure Finance Limited	Parent Company
Controlla Electrotech Private Limited	Fellow Subsidiary
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary
Srei Capital Markets Limited	Fellow Subsidiary
Srei Insurance Broking Private Limited	Fellow Subsidiary
Trinity Alternative Investment Managers Limited	Fellow Subsidiary
National Asset Reconstruction Company Limited	Entity having shareholding of holding company (as per approved resolution plan) (with effect from December 19th, 2023)
India Debt Resolution Company Limited	Entity having shareholding of holding company (as per approved resolution plan) (with effect from December 19th, 2023)
Srei Equipment Finance Limited Employees Gratuity Fund	Employees' Benefit Plan

Key Management Personnel (KMP)

Name	Designation
Mr. Rajneesh Sharma (Acting as a member of Implementation and Monitoring Committee pursuant to Hon'ble NCLT Order dated 11th August, 2023)*	Chairperson (Till February 25th, 2024)
Mr. Hemant Kanoria (till October 4th, 2021)*	Chairman
Mr. Sunil Kanoria (till October 4th, 2021)*	Vice Chairman
Mr. Shamik Roy (wef March 16th, 2024)	Chief Executive Officer
Mr. Devendra Kumar Vyas (till October 4th, 2021)* and (wef March 1st, 2022)	Managing Director (till October 4th, 2021) Chief Business Officer (wef March 1st, 2022)
Mr. Indranil Sengupta (wef August 1st, 2020) (till October 4th, 2021)*	Whole Time Director
Mr. Manoj Kumar Beriwal (till December 10th, 2023) and (wef December 11th, 2023)	Chief Compliance Officer - RBI Compliances (till December 10th, 2023) Chief Financial Officer (wef December 11th, 2023)
Mr. Yogesh Kajaria (till December 10th, 2023)	Chief Financial Officer (till December 10th, 2023)
Mr. Sumit Kumar Surana (wef August 20th, 2021)	Company Secretary
Ms. Nidhi Saharia (wef March 1st, 2022) (till August 14th, 2023)	Chief Risk Officer (till August 14th, 2023)
Mr. Sandeep Agarwal (wef August 14th, 2023) (Till February 25th, 2024)	Member of Implementation & Monitoring Committee
Mr. Pavel Poddar (wef August 14th, 2023) (Till February 25th, 2024)	Member of Implementation & Monitoring Committee
Mr. Manveet Vyas (wef August 14th, 2023) (Till February 25th, 2024)	Member of Implementation & Monitoring Committee
Ms. Sudha Ratna (wef August 14th, 2023) (Till February 25th, 2024)	Member of Implementation & Monitoring Committee
Mr. Bishwanath Das (wef August 14th, 2023) (Till February 25th, 2024)	Member of Implementation & Monitoring Committee
Mr. Avinash Kulkarni (wef February 26th, 2024)	Nominee Director
Mr. P. Santhosh (wef February 26th, 2024)	Nominee Director
Ms. Neeta Ananda Mukerji (wef February 26th, 2024)	Independent Director
Mr. Sharad Kumar Bhatia (wef February 26th, 2024)	Independent Director
Mr. Sivaraman Narayanaswami (wef February 26th, 2024)	Independent Director
Dr. Tamali Sengupta (till October 4th, 2021)*	Independent Director
Mr. Shyamalendu Chatterjee (wef April 2nd, 2020) (till October 4th, 2021)*	Independent Director
Mr. Malay Mukherjee (wef March 6th, 2021) (till October 4th, 2021)*	Independent Director

Others

Name	Nature of Relationship
Yogesh Kajaria - HUF (till December 10th, 2023)	KMP is Karta
Manoj Kumar Beriwal - HUF (till December 10th, 2023) and (wef December 11th, 2023)	KMP is Karta
Vandana Kumari (wef April 1st, 2021)	Relative of KMP of Parent Company
Prabha Sureka (wef March 1st, 2022) (till August 14th, 2023)	Relative of KMP
Sangita Agarwal (wef March 21st, 2022)	Relative of KMP of Parent Company

*Refer Note No. 1.2

47. Disclosure pursuant to Ind AS 24, Related Party Disclosures (continued)

47 (a) Summary of Transactions/Balance Outstanding

		(₹ in Lakhs)				
Name of the Related Party	Nature of relationship/designation	Nature of transactions	For the year ended March 31st, 2024	Balance as at March 31st, 2024	For the year ended March 31st, 2023	Balance as at March 31st, 2023
Srei Infrastructure Finance Limited ##	Parent Company	Rent paid for Leased Premises	79	-	79	229
		Liability for outstanding Rent Payable for Leased Premises extinguished by issue of equity share followed by subsequent capital reduction process in terms of the approved resolution plan	229	-	-	-
		Security Deposit paid for Leased Premises	-	-	-	15,000
		Receivable of Security Deposit expensed off as Bad debt in terms of the approved resolution plan with corresponding reversal of ECL impairment loss allowance of ₹ 15,000 lakhs.	15,000	-	-	-
		Rent received for Leased Premises	14	-	14	-
		Intercorporate Deposit Given (on maximum outstanding basis)	-	-	31	25,671
		Debt assigned to SIFL in lieu of receivable from SIFL towards intercorporate deposit in terms of approved resolution plan	25,671	-	-	-
		Refund of Intercorporate Deposit Given	-	-	84	-
		Other Receivables : Amount received #	3,949	-	208	-
		Other Receivables : Amount paid	3,949	-	208	-
		Bank Guarantee issued	-	-	-	301
		Bank gurantee issued on behalf of holding company (SIFL) has been permanently extinguished, discharged and settled in term of approved resolution plan	301	-	-	-
		Closure of Bank Guarantee	-	-	116	-
		Reimbursement of IT Cost (Payable)	-	-	20	-
		Pre-CIRP Claim Receivable	-	-	107	107
		Claim Receivable for Pre-CIRP period expensed off in terms of the approved resolution plan with corresponding reversal of ECL impairment loss allowance of ₹ 32 lakhs.	107	-	-	-
Reduction in existing equity share capital held by SIFL in terms of the approved resolution plan	7,802	-	-	-		
Consideration payable to SIFL for reduction in equity share capital from ₹ 7,902 lakhs to ₹ 1 lakh in terms of approved resolution plan	50,000	20,000	-	-		
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary	Loan Given (Secured) (Refer Note No. 62) - excluding impairment loss allowance of ₹ 45 lakhs as at March 31st, 2024 (₹ 37 lakhs as at March 31st, 2023)	-	122	-	123
		Interest Income on Loan Given	-	-	4	-
Trinity Alternative Investment Managers Ltd	Fellow Subsidiary	Loan Given (Secured) - excluding impairment loss allowance of ₹ 3,039 lakhs as at March 31st, 2024 (₹ 3,039 lakhs as at March 31st, 2023)	-	3,039	-	3,039
		Interest Income on Loan Given	-	-	126	-
Controlla Electrotech Private Limited	Fellow Subsidiary	Rent paid for Leased Premises	312	-	312	156
		Liability for outstanding Rent Payable for Leased Premises extinguished by issue of equity share followed by subsequent capital reduction process in terms of the approved resolution plan	156	-	-	-
		Security Deposit paid for Leased Premises - Excluding impairment loss allowance of ₹ 165 lakhs as at March 31st 2024 (₹ 705 lakhs as at March 31st 2023)	-	2,350	-	2,350
		Interest Received on Security Deposit	235	-	235	113
		Receivable of interest received on Security Deposit net off TDS expensed off as Bad debt in terms of the approved resolution plan.	113	-	-	-
Srei Capital Markets Limited	Fellow Subsidiary	Rent received for Leased Premises	1	-	3	-
Srei Insurance Broking Private Limited	Fellow Subsidiary	Rent received for Leased Premises	16	-	14	1
Mr. Rajneesh Sharma	Administrator (Acting as a member of Implementation and Monitoring Committee pursuant to Hon'ble NCLT Order dated 11th August, 2023) (Till February 25th, 2024)	Consultancy Fees	50	-	54	-
Mr. Hemant Kanoria	Chairman (till October 4th, 2021)	Short-term employee benefits	-	-	-	54
		Short-term employee benefits (extinguishment of the remaining liabilities of employee and workmen dues in terms of approved resolution plan). Refer Note No. 62	54	-	-	-
Mr. Sunil Kanoria	Vice Chairman (till October 4th, 2021)	Short-term employee benefits	-	-	-	18
		Short-term employee benefits (extinguishment of the remaining liabilities of employee and workmen dues in terms of approved resolution plan). Refer Note No. 62	18	-	-	-
Mr. Shamik Roy	Chief Executive Officer (wef March 16th, 2024)	Short-term employee benefits	4	**	-	-
		Post-employment benefits	***	-	-	-

47. Disclosure pursuant to Ind AS 24, Related Party Disclosures (continued)

47 (a) Summary of Transactions/Balance Outstanding

(₹ in Lakhs)						
Name of the Related Party	Nature of relationship/designation	Nature of transactions	For the year ended March 31st, 2024	Balance as at March 31st, 2024	For the year ended March 31st, 2023	Balance as at March 31st, 2023
Mr. Devendra Kumar Vyas	Managing Director (till October 4th, 2021) and Chief Business Officer (wef March 1st, 2022)	Short-term employee benefits	228	12	237	84
		Post-employment benefits	17	-	17	5
Mr. Indranil Sengupta	Whole Time Director (wef August 1st, 2020) (till October 4th, 2021)	Short-term employee benefits	-	-	-	2
		Short-term employee benefits (extinguishment of the remaining liabilities of employee and workmen dues in terms of approved resolution plan). Refer Note No. 62	2	-	-	-
Mr. Yogesh Kajaria	Chief Financial Officer (till December 10th, 2023)	Short-term employee benefits	56	-	78	5
		Post-employment benefits	3	-	5	-
		Advance given	15	-	-	-
		Repayment of Advance	15	-	-	-
Mr. Manoj Kumar Beriwal	Chief Compliance Officer - RBI Compliances (till December 10th, 2023)	Short-term employee benefits	74	6	69	10
	Chief Financial Officer (wef December 11th, 2023)	Post-employment benefits	4	-	4	-
Ms. Nidhi Saharia	Chief Risk Officer (wef March 1st, 2022) (till August 14th, 2023)	Short-term employee benefits	16	-	41	3
		Post-employment benefits	1	-	2	-
Mr. Sumit Kumar Surana	Company Secretary (wef August 20th, 2021)	Short-term employee benefits	37	4	36	3
		Post-employment benefits	2	-	2	-
Ms. Neeta Ananda Mukerji	Independent Director (wef February 26th, 2024)	Sitting Fees	2	-	-	-
Mr. Sharad Kumar Bhatia	Independent Director (wef February 26th, 2024)	Sitting Fees	2	-	-	-
Mr. Sivaraman Narayanaswami	Independent Director (wef February 26th, 2024)	Sitting Fees	2	-	-	-
Mr. Shyamalendu Chatterjee	Independent Director (wef April 2nd, 2020) (till October 4th, 2021)	Sitting Fees	-	-	-	*
		Sitting Fees (extinguishment of the remaining liabilities of operational creditors in terms of approved resolution plan). Refer Note No. 62	*	-	-	-
Dr. Tamali Sengupta	Independent Director (till October 4th, 2021)	Sitting Fees	-	-	-	2
		Sitting Fees (extinguishment of the remaining liabilities of operational creditors in terms of approved resolution plan). Refer Note No. 62	2	-	-	-
Mr. Malay Mukherjee	Independent Director (wef March 6th, 2021) (till October 4th, 2021)	Sitting Fees	-	-	-	3
		Sitting Fees (extinguishment of the remaining liabilities of operational creditors in terms of approved resolution plan). Refer Note No. 62	3	-	-	-
Yogesh Kajaria - HUF	KMP is Karta (till December 10th, 2023)	Car Hire Charges	4	-	6	2
Manoj Kumar Beriwal - HUF	KMP is Karta (till December, 10th, 2023) and KMP is Karta (wef December 11th, 2023)	Car Hire Charges	6	-	6	3
Vandana Kumari	Relative of KMP of Parent Company (wef April 1st, 2021)	Car Hire Charges	6	-	6	-
Prabha Sureka	Relative of KMP (wef March 1st, 2022) (till August 14th, 2023)	Car Hire Charges	2	-	6	-
Sangita Agarwal	Relative of KMP of Parent Company (wef March 21st, 2022)	Car Hire Charges	6	-	6	-
National Asset Reconstruction Company Limited	Entity having shareholding of holding company (as per approved resolution plan) (with effect from December 19th, 2023)	Payment towards loss of recovery fees	196	-	-	-
		Payment towards reduction in value of NCDs	2,446	-	-	-

* ₹ 45,000/-

** ₹ 13,011/-

*** ₹ 18,735/-

This represents amount receivable from Parent Company, SIFL in TRA.

Other commitments - Payable to SIFL ₹ 10,000 lakhs per year for the first two years towards business rationalisation cost in terms of approved resolution plan

Note 1. Settlement of outstanding balances as at year end generally occurs in cash.

Note 2. Income or expenses are presented excluding GST.

Note 3. All the related party transactions have been made in the ordinary course of business and the same are generally at arm's length price (Refer Note No. 62)

37(b) Compensation to KMPs

(₹ in Lakhs)		
Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Short-term employee benefits	415	462
Other long-term employee benefits	-	9
Post-employment benefits	28	31

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024**

48. As at March 31st, 2024 and as at March 31st, 2023, there are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

49. Capital Management

The primary objectives of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. As stated in Note No. 1.2 and 62 CIRP was initiated in respect of the Company w.e.f. October 8, 2021 and the resolution plan of NARCL was approved by Hon'ble NCLT vide order dated August 11, 2023. Based on the implementation steps as per approved resolution plan, the successful resolution applicant has adhered to the indicative timelines and is confident of improving the loan recovery, negotiated settlements, restructurings including pursuit of the arbitration awards, claims, legal cases etc. which would result in the Company being able to meet its committed obligations in due course of time. Accordingly, these financial statements have been prepared on a going concern basis.

(₹ in Lakhs)

	As at March 31st, 2024 * @	As at March 31st, 2023 * @
Tier I capital	(11,544)	(23,52,073)
Tier II capital	4,954	7,613
Total capital	(11,544)	(23,52,073)
Risk weighted assets	3,96,324	6,09,021
Tier I Ratio	(2.91)%	(386.21)%
Tier II Ratio	1.25%	1.25%

* If Tier II capital exceeds Tier I capital, amount exceeding Tier I capital is not considered for Total capital funds & if Tier I capital is negative, Tier II capital is ignored. Further, subordinated debts have not been considered in Tier II capital as Tier I capital is negative.

@ Does not include off-balance sheet items as considering the same under the scenario of negative Tier I capital will have a favourable impact on Tier I Ratio.

Regulatory capital consists of Tier I capital, which comprises share capital, securities premium, retained earnings including current year loss, statutory reserves and other free reserves less deferred revenue expenditure and intangible assets etc. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate debts.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

50. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 2 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying value and fair value of the Company's financial instruments:

(₹ in Lakhs)

Particulars	As at March 31st, 2024		As at March 31st, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	30,789	30,789	2,52,639	2,52,639
ii) Bank Balance other than (i) above	2,841	2,841	18,169	18,169
iii) Trade Receivables	109	109	146	146
iv) Loans	2,79,840	2,84,265	9,40,607	9,67,970
v) Investments	8,666	8,700	8,982	8,994
vi) Other Financial Assets	2,854	2,854	3,501	3,501
Sub-total	3,25,099	3,29,558	12,24,044	12,51,419
b) Measured at Fair value through Profit or Loss				
i) Loans	18,968	18,968	19,091	19,091
ii) Investments	25,402	25,402	54,758	54,758
iii) Other Financial Assets	-	-	62,196	62,196
Sub-total	44,370	44,370	1,36,045	1,36,045
c) Measured at Fair value through Other Comprehensive Income				
i) Loans	-	-	2,687	2,687
Sub-total	-	-	2,687	2,687
Total Financial Assets	3,69,469	3,73,928	13,62,776	13,90,151
Financial Liabilities				
a) Measured at Amortised Cost				
i) Trade Payables	80	80	6,414	6,414
ii) Debt Securities	2,97,597	2,97,607	2,59,944	2,59,944
iii) Borrowings (Other than Debt Securities)	525	538	26,69,340	26,69,423
iv) Subordinated Liabilities	6,236	6,236	2,62,458	2,62,458
v) Lease Liabilities	352	352	636	636
vi) Other Financial Liabilities	31,031	31,031	14,766	14,766
Total Financial Liabilities	3,35,821	3,35,844	32,13,558	32,13,641

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables:

Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at average lending rate.

Investments measured at amortised cost

The fair values of Investments at amortised cost (quoted bonds) are estimated using the most recent quoted price available from a recognised stock exchange.

Other Financial Assets measured at amortised cost

For other financial assets that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Such instruments majorly include: Cash and Cash Equivalents, Other Bank Balances, Trade and Other Receivables and Security Deposits.

Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of collateralised borrowings are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at average borrowing rate. The fair value of debt securities are estimated using a discounted cash flow model based on contractual future cash flows based on terms considering net present value (NPV) for NCD-2, NCD-3, NCD-4 & NCD-5 @ 8%, 10%, 10%, 12% & 12% per annum respectively in terms of the approved resolution plan.

The fair values of subordinated liabilities are estimated using a discounted cash flow model based on projected recovery, considering the NPV @ 12% per annum for the next five years.

Other Financial Liabilities and Lease Liabilities measured at amortised cost

For other financial liabilities and Lease Liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.

Such instruments majorly include: Trade and Other payables and Trade Deposits.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

50. Financial Instruments and Related Disclosures (continued)

B) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, Loans and Other Financial Assets and Liabilities included in level 3.

Particulars	As at March 31st, 2024			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	18,968	18,968
Investments	4,465	306	20,632	25,403
Other Financial Assets	-	-	-	-
Total	4,465	306	39,600	44,371

Particulars	As at March 31st, 2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	21,778	21,778
Investments	4,761	1,439	48,558	54,758
Other Financial Assets	-	-	62,196	62,196
Total	4,761	1,439	1,32,532	1,38,732

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

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation Technique and Key Inputs	Significant Unobservable Inputs
	March 31st, 2024	March 31st, 2023			
Financial Assets					
Loans	18,968	21,778	Level 3	Note (i)	Note (v) and (vi)
Investments	4,465	4,761	Level 1	Note (ii)	Not applicable
Investments	306	1,439	Level 2	Note (iii) & (iv)	Not applicable
Investments	20,632	48,558	Level 3	Note (i)	Note (v)
Other Financial Assets	-	62,196	Level 3	Note (i)	Note (vii)

(i) Income Approach

The discounted cash flow method was used to capture the present value of the the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

(ii) Quoted Prices

Quoted bid prices of an active market was used.

(iii) Price to Revenue/Earnings Multiple Method

Price was derived as a multiple of revenue/earnings based on relevant information from companies operating in similar economic environment and industry.

(iv) Net Asset Value Method

The adjusted net asset value is arrived at after making adjustments for the Fair value of Assets and Liabilities as on the date of valuation.

(v) Discount rate, determined using average lending rate of the company or discount rate considered by the Valuer

(vi) The fair value of loans is derived based on the valuation of the underlying assets.

(vii) Probability of recovery and discount rate considered by the Valuer.

Reconciliation of Level 3 fair value measurements

Reconciliation	Investments		Loans		Other Financial Assets @	
	March 31st, 2024	March 31st, 2023	March 31st, 2024	March 31st, 2023	March 31st, 2024	March 31st, 2023
Opening Balance	48,558	1,14,715	21,778	55,649	62,196	72,542
Addition	-	627	3,007	2,190	-	-
Repayment/Transfers to amortised cost *	(6,226)	(13,870)	(2,687)	(13,501)	-	-
Transfers into Level 3	-	-	-	-	-	-
Transfers from Level 3	-	-	-	-	-	-
Realised income/(loss) Net	(15,681)	-	-	-	-	-
Unrealised income/(loss) #	(6,019)	(52,914)	(3,130)	(22,265)	(62,196)	(10,346)
Other Comprehensive Income	-	-	-	(295)	-	-
Closing Balance	20,632	48,558	18,968	21,778	-	62,196

includes Exceptional Items

* includes write off

@ Represents claim receivables

50. Financial Instruments and Related Disclosures (continued)

Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

Below table shows impact of increase/decrease in fair valuation measurement at 2%

(₹ in Lakhs)

Particulars	As at March 31st, 2024		As at March 31st, 2023	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans at FVTPL	362	(349)	666	(631)
Investments at FVTPL @	284	(233)	684	(658)
Other Financial Assets at FVTPL	-	-	1,723	(1,172)
Total	646	(582)	3,073	(2,461)

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

C) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company has undergone CIRP under the provisions of the Code and subsequently, resolution plan of NARCL has been approved by Hon'ble NCLT vide order dated August 11th, 2023. The borrowings of the Company has been re aligned in terms of the approved resolution plan (Refer Note No 1.2 and 62). Post CIRP, the Company has reconstituted the Risk Management Committee. The Asset Liability Management Committee (ALMC) has also been reconstituted. The Financial risk management framework may need to be revisited and realigned in line with the revised strategy post implementation of the approved resolution plan.

a) Market risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk:

- i. Foreign Currency Risk
- ii. Interest Rate Risk
- iii. Price Risk

i. Foreign currency risk

The Company undertook transactions denominated in foreign currency which resulted in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

The Company has undergone CIRP under the provisions of the Code and subsequently, resolution plan of NARCL has been approved by Hon'ble NCLT vide order dated August 11th, 2023. The borrowings of the Company has been realigned in terms of the approved resolution plan (Refer Note No 1.2 and 62). In terms of the approved resolution plan, there is no foreign currency risk and consequently foreign currency sensitivity is not applicable as at March 31st, 2024.

Foreign Currency Exposure

(₹ in Lakhs)

As at March 31st, 2024	USD	EURO	Total
Borrowings (Other than Debt Securities)	-	-	-
As at March 31st, 2023	USD	EURO	Total
Borrowings (Other than Debt Securities)	1,46,388	80,529	2,26,917

(₹ in Lakhs)

Hedged Foreign Currency balances :		As at March 31st, 2024	As at March 31st, 2023
Borrowings (Other than Debt Securities)	USD	-	-
	EURO	-	-

(₹ in Lakhs)

Unhedged Foreign Currency balances :		As at March 31st, 2024	As at March 31st, 2023
Borrowings (Other than Debt Securities)	USD	-	1,46,388
	EURO	-	80,529

50. Financial Instruments and Related Disclosures (continued)

Foreign currency sensitivity

Impact on increase in 2%

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
USD	-	-
EURO	-	-

Impact on decrease in 2%

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
USD	-	-
EURO	-	-

ii. Interest rate risk

The Company was exposed to interest rate risk as the Company borrowed foreign currency funds at fixed plus floating interest rate benchmarks. The Company managed this risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of derivative hedging products like interest rate swaps and cross currency interest rate swaps. It is pertinent to note that the Company is absolutely dependent on banks for such hedging limits.

The Company has undergone CIRP under the provisions of the Code and subsequently, resolution plan of NARCL has been approved by Hon'ble NCLT vide order dated August 11th, 2023. The borrowings of the Company has been realigned in terms of the approved resolution plan (Refer Note No 1.2 and 62). In terms of the approved resolution plan, there is no interest rate risk in the foreign currency borrowings and consequently interest rate sensitivity is not applicable as at March 31st, 2024.

Interest Rate Exposure [Financial Instruments at variable interest rates]

(₹ in Lakhs)

As at March 31st, 2024	INR	USD	EURO	Total
Financial Assets				
Loans (Gross)	3,47,608	-	-	3,47,608
Financial Liabilities				
Borrowings (Other than Debt Securities)	-	-	-	-
Subordinated Liabilities	-	-	-	-
As at March 31st, 2023	INR	USD	EURO	Total
Financial Assets				
Loans	5,70,810	-	-	5,70,810
Financial Liabilities				
Borrowings (Other than Debt Securities)	-	-	-	-
Subordinated Liabilities	-	-	-	-

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's profit and loss and equity.

Interest Rate sensitivity

Impact on increase in 2%

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
INR	6,952	11,416
USD	-	-
EURO	-	-

Impact on decrease in 2%

(₹ in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
INR	(6,952)	(11,416)
USD	-	-
EURO	-	-

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through profit or loss as at March 31st, 2024 is ₹ 980 lakhs (March 31st, 2023 ₹ 277 lakhs).

A 10% change in equity prices of such securities held as at March 31st, 2024 would result in an impact of ₹ 98 lakhs (March 31st, 2023 ₹ 28 lakhs).

50. Financial Instruments and Related Disclosures (continued)

b) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's ALCO lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them.

Liquidity risk management :

(₹ in Lakhs)

Particulars	As at March 31st, 2024 @								
	Upto 30/31 days	Over 1 month upto 2 Months	Over 2 months upto 3 months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial Assets									
i) Cash and Cash Equivalents	23,180	7,609	-	-	-	-	-	-	30,789
ii) Bank Balance other than above	304	276	31	1,383	166	71	610	-	2,841
iii) Trade Receivables	114	-	-	-	-	-	-	-	114
iv) Loans # \$	995	493	894	7,872	10,306	34,737	34,276	26,43,917	27,33,490
v) Investments	-	-	55	418	13,840	2,986	2,313	14,456	34,068
vi) Other Financial Assets	978	3	6	2,365	53	315	2	2,959	6,681
Total	25,571	8,381	986	12,038	24,365	38,109	37,201	26,61,332	28,07,983
B: Financial Liabilities									
i) Trade Payables	80	-	-	-	-	-	-	-	80
ii) Debt Securities ***	-	-	-	-	-	1,16,604	1,81,014	-	2,97,618
iii) Borrowings (Other than Debt Securities) *	33	33	33	102	213	111	-	-	525
iv) Subordinated Liabilities **	-	-	-	-	-	-	-	6,236	6,236
v) Lease Liabilities	33	33	33	88	158	251	23	-	619
vi) Other Financial Liabilities	9,337	454	186	20,587	122	345	-	-	31,031
Total	9,483	520	252	20,777	493	1,17,311	1,81,037	6,236	3,36,109

@ Refer Note No.62 and 64.

*Repayments of borrowings have been considered as per the contractual obligations.

\$ Performing Loans are stipulated in time buckets as per the original/ revised repayment schedule and non-performing loans are in the 3 to 5 year time-bucket and over 5 year time-bucket as per RBI guideline.

As at March 31st, 2024, time buckets of loans has been shown after considering of liability towards assignment (Refer Note No.62).Receivables on account of assigned loans/lease/ other receivables have been adjusted from loans only. Entire operating lease receivables of NPA assigned cases has been reversed , however for ALM purpose the same has been considered "over 3 & upto 5 years" and "above 5years" bucket as per RBI guidelines.

**In terms of approved resolution plan ,any recovery from underlying assets of the Company after payments of all NCDs shall be used to repay the OCDs .

In case of early recoveries from the underlying assets,the Company shall have option to make accelerated payment on the OCDs at an net present value (NPV) computed on the date of accelerated payment.

Conversion at the option of holder from the beginning of the 6th year till maturity. Conversion at the option of the Company at the end of 8 years. Any outstanding amount at the end of year 8 shall be converted into equity at fair value.

***In terms of the approved resolution plan , in case of early recoveries from the underlying assets, the Company shall have option to make accelerated payment on NCDs at a pre defined discounting rate for computing net present value on the date of accelerated payment. NCDs, if outstanding at the end of respective redemption date from the date of allotment shall be transferred to the security receipt holders in the ratio of their holding of the security receipts issued by the NARCL Trust- 0007.

(₹ in Lakhs)

Particulars	As at March 31st, 2023								
	Upto 30/31 days	Over 1 month upto 2 Months	Over 2 months upto 3 months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial Assets									
i) Cash and Cash Equivalents	2,52,639	-	-	-	-	-	-	-	2,52,639
ii) Bank Balance other than above	607	304	45	4,963	6,477	5,201	572	-	18,169
iii) Trade Receivables	153	-	-	-	-	-	-	-	153
iv) (a) Loans	1,08,907	2,200	1,743	9,810	20,447	44,204	1,14,542	26,53,330	29,55,183
(b) Liability towards Assignment \$	(1,92,858)	(862)	(1,226)	(1,868)	(1,310)	(79)	-	-	(1,98,203)
v) Investments	2,476	-	1,155	152	750	37,379	3,327	18,501	63,740
vi) Other Financial Assets @ %	1,971	22	31	22,289	25,940	16,870	204	7	67,334
Total	1,73,895	1,664	1,748	35,346	52,304	1,03,575	1,18,645	26,71,838	31,59,015
B: Financial Liabilities									
i) Trade Payables #	-	-	-	-	2,464	-	-	-	6,414
ii) Debt Securities *	-	-	-	-	-	-	-	-	2,59,944
iii) Borrowings (Other than Debt Securities) *	549	446	411	657	798	525	-	-	26,69,474
iv) Subordinated Liabilities *	-	-	-	-	-	-	-	-	2,62,458
v) Lease Liabilities	36	34	33	91	158	291	-	-	643
vi) Other Financial Liabilities	10,538	544	462	1,628	843	751	-	-	14,766
Total	11,123	1,024	906	2,376	4,263	1,567	-	-	32,13,699

\$ Amount in first bucket includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation (Also Refer Note No. 61 of the Financial Statements for the year ended March 31st, 2023).

Repayments of Trade Payables admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2, 65 and 66 of the Financial Statements for the year ended March 31st, 2023) are not determinable.

* Repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2, 65 and 66 the Financial Statements for the year ended March 31st, 2023).

@ Amount receivable from holding Company, Srei Infrastructure Finance Limited (SIFL) amounting to ₹ 107 lakhs admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2 and 65 the Financial Statements for the year ended March 31st, 2023) are not determinable.

% Receivables of security deposits from Srei Infrastructure Finance Limited (SIFL) amounting to ₹ 15,000 lakhs admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2 and 65 the Financial Statements for the year ended March 31st, 2023) are not determinable.

50. Financial Instruments and Related Disclosures (continued)**c) Credit risk**

Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. The principal business of the Company was to provide financing in the form of loans to its clients primarily to acquire assets and infrastructure lending. As per the Resolution plan SEFL would be focussing on recovery in the existing portfolio and fresh business will be pursued in parent co. No fresh business is intended to be pursued in SEFL. Recovery initiatives including periodic reviews to formulate recovery strategies are being done in accordance with the Stressed Asset Management Policy. The new management is also in the process of reviewing the existing Stressed Asset Management Policy.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables as per accounting standards. In addition, the Company also assesses impairment on such assets as per RBI guidelines and accounted for in the books as per regulatory guidelines.

d) Operational Risk

The Company is exposed to operational risk in view of the nature of its business. Operational risk arises out of failed processes, people, system or external events. Accordingly framework for risk control self-assessment has been prepared to evaluate process lapses. The Operational Risk Management includes framework on risk control self-assessment & outsourcing arrangements.

51. Transfers of Financial Assets**Transfers of financial assets that are not derecognised in their entirety**

The Company has not carried out securitisation transactions during the year ended March 31st, 2024 and financial year ended March 31st, 2023. There is no carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities as at March 31st, 2024 and March 31st, 2023.

52. Assets obtained by taking possession of collateral/assets

The Company has obtained certain non-financial assets during the year by taking possession of collaterals or underlying assets on default by the party. The Company's policy is to determine whether a repossessed asset can be released back to the customer or should be sold. Assets which are identified for sale are classified as Repossessed Assets and Assets acquired in satisfaction of debt at their fair value or carrying value, whichever is lower. The Company's policy is to realise collateral on a timely basis.

The table below outlines the nature and values of Repossessed Assets and Assets acquired in satisfaction of debt obtained during the year and where still lying with the Company as at the year end:

(₹ in Lakhs)

Particular	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Land	-	-
Other	908	2,710
Total	908	2,710

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

53. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

(₹ in Lakhs)

Assets	As at March 31st, 2024 *			As at March 31st, 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	30,789	-	30,789	2,52,639	-	2,52,639
Bank Balance other than above	2,160	681	2,841	12,396	5,773	18,169
Trade Receivables	109	-	109	146	-	146
Loans # **	10,104	2,88,704	2,98,808	1,29,978	10,30,610	11,60,588
Assigned Pool Outstanding \$	-	-	-	(1,98,124)	(79)	(1,98,203)
Investments	14,312	19,756	34,068	4,533	59,207	63,740
Other Financial Assets	2,554	300	2,854	48,543	17,079	65,697
Current Tax Assets (Net)	-	17,230	17,230	-	14,630	14,630
Property, Plant and Equipment	-	69,729	69,729	-	1,22,338	1,22,338
Right-of-use Assets	54	249	303	70	436	506
Other Intangible Assets	-	313	313	-	541	541
Other Non-Financial Assets	1,843	883	2,726	22,597	912	23,509
Total	61,925	3,97,845	4,59,770	2,72,778	12,51,447	15,24,300

* Refer Note No.62 and 64

Performing Loans are stipulated in time buckets as per the original/revised repayment schedule and non-performing loans are in the 3 to 5 year time-bucket and over 5 year time-bucket as per RBI guideline

** Receivables on account of assigned loans/lease/ other receivables have been adjusted from loans only. Entire operating lease receivables of NPA assigned cases has been reversed , however for ALM purpose the same has been considered "over 3 & upto 5 years" and "above 5years" bucket as per RBI guidelines.

\$ As at March 31st, 2024, maturity analysis of loans has been shown after considering of assigned pool outstanding (Refer Note No.62) . As at March 31st,2023, amount in first bucket includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation (Also Refer Note No. 61 of the Financial Statements for the year ended March 31st, 2023).

(₹ in Lakhs)

Liabilities	As at March 31st, 2024 *			As at March 31st, 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Trade Payables	80	-	80	2,464	-	6,414
Debt Securities ***	-	2,97,597	2,97,597	-	-	2,59,944
Borrowings (Other than Debt Securities) *	413	112	525	2,726	525	26,69,340
Subordinated Liabilities **	-	6,236	6,236	-	-	2,62,458
Lease Liabilities	81	271	352	90	546	636
Other Financial Liabilities	30,686	345	31,031	14,015	751	14,766
Current Tax Liabilities (Net)	-	-	-	-	13,635	13,635
Provisions	46	107	153	62	15,267	15,329
Other Non-Financial Liabilities	1,168	1,33,669	1,34,837	1,880	1,948	3,828
Total	32,474	4,38,337	4,70,811	21,237	32,672	32,46,350

*Repayments of borrowings have been considered as per the contractual obligations.

**In terms of approved resolution plan ,any recovery from underlying assets of the Company after payments of all NCDs shall be used to repay the OCDs .

In case of early recoveries from the underlying assets,the Company shall have option to make accelerated payment on the OCDs at an net present value (NPV) computed on the date of accelerated payment.

Conversion at the option of holder from the beginning of the 6th year till maturity. Conversion at the option of the Company at the end of 8 years. Any outstanding amount at the end of year 8 shall be converted into equity at fair value.

***In terms of the approved resolution plan , in case of early recoveries from the underlying assets, the Company shall have option to make accelerated payment on NCDs at a pre defined discounting rate for computing net present value on the date of accelerated payment. NCDs, if outstanding at the end of respective redemption date from the date of allotment shall be transferred to the security receipt holders in the ratio of their holding of the security receipts issued by the NARCL Trust- 0007.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

54. Disclosure of Joint Controlled Operation as on March 31st, 2024

During the year ended March 31st, 2017, the Company had entered into agreements with PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidyut Limited ("SPVs"), respectively, for joint use and operation of certain assets in relation to Solar Power Generation project. These SPVs have already entered into a purchase power agreement (PPA) with Uttarakhand Power Corporation Limited (UPCL). Pursuant to the agreement, the revenue generated from the sale of power to UPCL will be shared among the Company and SPVs in the ratio of 80:20. Subsequently this revenue sharing ratio had been revised to 65:35 wef October 1st, 2018. Accordingly, an amount of ₹ 1,874 lakhs (March 31st, 2023 : ₹ 1,928 lakhs) has been recognized as "Income from joint controlled operation" under the head "Revenue from Operations". None of the Company's assets has been transferred to the Joint Venture and there is no liability incurred in this respect. There are no Contingent Liabilities or Capital Commitments in this respect.

55. Segment Reporting

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

56. (i) Information as required in terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the "Master Directions") in supersession of the Non-Banking Financial Company–Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (the Directions) is furnished vide Annexure – 1 attached herewith - Notes to Accounts for NBFCs. Additional disclosure of details as required in terms of circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' is furnished vide Annexure – 2 and Annexure – 3 attached herewith Notes to Accounts for NBFCs.

As stated in the aforesaid "Master Direction" ,the Company has omitted those line items of Master Directions which are not applicable/not permitted or have nil exposure both in current and previous year.

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

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

Sl. No	Particulars	As at March 31st, 2024	As at March 31st, 2023
		#	#
		No. / (₹ in Lakhs)	No. / (₹ in Lakhs)
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets	-	-
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
7	Performance of facility provided. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. Credit enhancement (Nil as at March 31st, 2024 and Nil as at March 31st, 2023)		
	Fixed Deposit in favour of SPE		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
	Credit enhancement with SPE		
	a) Amount paid /Repayment received (net)**	-	-
	b) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past ##	Not Applicable	Not Applicable
9	Amount and number of additional/top up loan given on same underlying asset		
	(a) Amount	-	-
	(b) Number	-	-
10	Investor complaints		
	(a) Directly/Indirectly received	-	-
	(b) Complaints outstanding	-	-

* The Company has not entered into Non-STC Securitisation transactions subsequent to the applicability of this Master Direction.

** Amount represents Net of Addition and Repayment received towards Credit enhancement with SPE

The above figures are based on the information obtained from the SPEs, which is duly certified by the SPEs' auditor.

The Company is primarily engaged in financial services to its customer across India. The portfolio has been bifurcated into assets finance / infrastructure loans in various Infrastructure sectors which includes IT, construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

56. (iii)(b) Disclosure relating to securitisation pursuant to Reserve Bank of India notification RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 for STC (Simple, transparent and comparable) Securitisation Transactions are not applicable.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

56. (iv) Disclosures on The Scheme for Sustainable Structuring of Stressed Assets (S4A), as at March 31st, 2024

(₹ in Lakhs)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision held
		In part A	In part B *	
One number of account classified as Standard	1,438	-	1,438	-
One number of account classified as Standard	(1,309)	-	(1,309)	-

Figures in the bracket indicates figures for the previous year.

* Note: Part B represents the Optionally Convertible Debentures received as per the S4A scheme.

56. (v) Disclosures Relating to Fraud In Terms of the Notification Issued by Reserve Bank of India vide DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17

During the year ended March 31st, 2024, there are 2 number of cases of Fraud amounting to ₹ 15,625 lakhs has been reported to RBI on various dates by the Company. (During the year ended March 31st, 2023, there are 70 numbers of cases of Fraud amounting to ₹ 18,11,965 lakhs has been reported to RBI on various dates by the Company)

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2024

57. Details of loan transferred / acquired during the year ended March 31, 2024 pursuant to RBI Master Direction RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 on Transfer of Loan Exposures are given below # :

- (a) The Company has not transferred or acquired any loans not in default during the year ended March 31st, 2024 and March 31st, 2023
 (b) The Company has not transferred or acquired any stressed loan during the year ended March 31st, 2024 and March 31st, 2023
 (c) Details on recovery ratings assigned for Security Receipts as on March 31st, 2024 and March 31st, 2023

(₹ in Lakhs)

Recovery Ratings	Anticipated recovery as per recovery rating	As at March 31st, 2024	As at March 31st, 2023
RR1*	100%-150%	-	-
RR1	100%-150%	12,977	16,854
RR2	75%- 100%	-	19,125
RR5**	0%- 25%	-	-

* The last available recovery rating is as at February 08th, 2023, valid till June 30th, 2023.

** The last available recovery rating is as at August 28th, 2020, valid till December 31st, 2020

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

(₹ in Lakhs)

As at March 31st, 2024		As at March 31st, 2023	
No. of accounts restructured	Amount outstanding	No. of accounts restructured	Amount outstanding
126	894	128	1,062

59. Disclosures as required by RBI circular dated August 6th, 2020 'Resolution Framework for Covid-19 - related Stress' (RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21) are as below for the period ended March 31st, 2024

(₹ in Lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A), amount written off during the year	Of (A), amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the this year
Personal Loans	-	-	-	-	-
Corporate persons*	2,002	-	-	1,211	791
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2,002	-	-	1,211	791

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

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

As per RBI circular no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the Company has implemented resolution plan for its 1 borrower resulting in Debt Instruments (including securities issued earlier in lieu restructuring at the time of CDR and subsequently under S4A) amounting to ₹ 9,094 lakhs on the date of implementation. The outstanding Fair Value amount of those debt instruments as on March 31st, 2024 after provisioning applicable to such instruments in terms of the aforesaid circular is ₹ 4,952 lakhs.

During the year, the Company has considered debt restructuring under the aforesaid circular for 6 nos of borrowers (out of which 1 no of borrower was also restructured earlier under prudential norms Refer Annexure -1 Note No. 2). The gross outstanding as on March 31st, 2024 is ₹ 13,897 lakhs and provisioning on the same is ₹ 6,803 lakhs.

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

61. Consolidated Resolution Plan

The Reserve Bank of India ("RBI") vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ("RBI Act") superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45-IE (5) (a) of the RBI Act, has constituted a three-member Committee of Advisors for advising the Administrator. The RBI had also filed application for initiation of Corporate Insolvency Resolution Process ("CIRP") against the Company under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ("the Code") read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("FSP Insolvency Rules") before the Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT"). Hon'ble NCLT vide its order dated October 8, 2021, admitted the application filed by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of the Company shall vest in the Administrator. The Administrator, after adopting proper procedure, had filed applications for consolidated resolution process before the Hon'ble National Company Law Tribunal- Kolkata Bench (Hon'ble NCLT) in the case of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021). The application in this matter was admitted and the final order was received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The resolution plan of NARCL approved by Consolidated Committee of Creditors (CoC) was filed before Adjudicating Authority on February 18, 2023 for its approval and the same was approved by Hon'ble NCLT vide its Order dated August 11, 2023.

62. Implementation of the Resolution Plan

In terms of the approved resolution plan, an Implementation and Monitoring Committee ("IMC") had been constituted which was empowered to supervise the implementation of the approved resolution plan and oversee the management of the affairs of the Company as per the terms of the approved resolution plan. The IMC in its meeting dated August 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and vide IMC resolution dated August 17, 2023 authorised him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the approved resolution plan. IMC stands dissolved and the Board of the Company was re-constituted on February 26, 2024 to take charge of the affairs of the Company.

- (a) Important provisions of approved resolution plan alongwith various steps undertaken for the implementation of approved resolution plan are given below:
- The approved resolution plan shall be binding on the Company and other stakeholders involved in terms of section 31 of the Code.
 - The administrator shall stand discharged from his duties with effect from the order dated August 11, 2023, save and except the duties envisaged in the resolution plan.
 - An Implementation and Monitoring Committee ("IMC") had been constituted which was empowered to manage the affairs of the Company as per the terms of the approved resolution plan till the closing date. Thereafter implementation was carried out by IMC for implementation of the resolution plan.
 - IMC received the Implementation Notice dated September 22, 2023 from NARCL in terms of the approved resolution plan and referring to the Reallocation Notice dated September 21, 2023 issued by the Committee of Creditors (CoC) (CoC Re-allocation Notice), notifying the Effective Date as September 22, 2023, being the date on which NARCL, as the Resolution Applicant proposed to commence the Steps set out in Section 4 (Steps of Implementation) of the approved resolution plan.
 - The Company, on instructions of the IMC, has taken necessary steps including making payments, to various stakeholders in terms of the approved resolution plan.
 - The Company had filed the application for delisting of the Non-Convertible Debentures ("NCDs") (including perpetual debt instruments) of the Company from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in terms of steps for the implementation as provided in the approved resolution plan. Accordingly, the record date for delisting of the NCDs (including perpetual debt instruments) issued by the Company was fixed on October 6, 2023. In the Delisting application dated September 28, 2023, the Company had informed the exchanges that the record date for determination of eligible holders for such debts is October 6, 2023 and that any payout to such eligible holders of debts will be made in terms of resolution plan. Subsequently, these NCDs were delisted by both the Stock Exchanges i.e. BSE and NSE with effect from December 14, 2023.
 - The Company has allotted Optionally Convertible Debentures (OCD) of ₹ 8,00,000 lakhs having face value of ₹ 1,000 each to domestic lenders and PNB Investment Services Ltd as security trustee for the benefit of assenting ECB lenders and assenting NCD holders in terms of the approved resolution plan vide IMC resolution on December 19, 2023 excluding one of the lender amounting to ₹ 151 lakhs due to non-receipt of necessary documents. In terms of the approved resolution plan, these OCDs are 'unsecured' with a possible conversion into equity and considering the non-visibility of future recovery for making payments towards such uncommitted instruments, the Company has considered initial recognition of OCD as "financial liability" as per IND AS 32 and to be recorded at fair value of ₹ 6,028 lakhs in the books of accounts as per IND AS 109.
 - The Company has allotted Non-Convertible Debentures (NCDs) of ₹ 4,50,638 lakhs having face value of ₹ 1,000 each to NARCL Trust- 0007 as portion of assigned debt in terms of the approved resolution plan vide IMC resolution on December 26, 2023.
 - The Company has allotted Compulsorily Convertible Preference Shares (CCPS) of ₹ 11,69,168 lakhs having face value of ₹ 100 each to NARCL Trust- 0007 in lieu of the balance portion of the assigned debt in terms of the approved resolution plan vide IMC resolution on December 26, 2023.
- (b) In term of the approved resolution plan, following are the details of the items of restructuring reserve, which has been transferred to retained earnings of the Company.

Nature of the Items	Amount in lakhs
Transfer of all existing Reserves (both statutory and non-statutory in nature)	9,17,278
Equity Share Capital Reduction	7,802
₹ 50,000 lakhs payable to holding company (SIFL) as consideration for reduction in share capital has been recognised as per approved resolution plan.	(50,000)
Extinguishment of remaining liability of Operational Creditors by issuance of equity shares followed by subsequent capital reduction	13,093
Extinguishment of CIRP expense liability of IBBI fees to the extent of amount set aside by the erstwhile CoC in the name of UCO bank out of fund contributed by NARCL by issuance of equity shares followed by capital reduction process.	3,556
Extinguishment of net shortfall in payments to the company's lenders who were assigned the Pool receivables by issuance of equity shares followed by subsequent capital reduction. Refer Note No. 64	66,287
Fair value of assigned pool receivables in terms of the approved resolution plan	(33,818)
Extinguishment of Interest for Covid 19 Moratorium cases	14,458
Extinguishment of Dissenting and Assenting Financial Creditors as per terms of approved resolution plan	4,88,480
Fair value impact of Optionally convertible debenture on the initial date of recognition	7,93,972
Extinguishment of Government Dues as per terms of approved resolution plan	29,785
Fair value of the property, plant and equipment in terms of the approved resolution plan	(18,941)
Total	22,31,952

- (c) Based on the directions of RBI, during the year ended March 31, 2022 the Company has made provision amounting to ₹ 9,807 lakhs and ₹ 4,991 lakhs in respect of direct tax cases and indirect tax cases respectively where the Company was under various stages of appeal with the relevant tax authorities. Further during the six months ended September 30, 2023, the Company has received appellate order pertaining to entry tax demand, whereby the Company has been granted relief to the extent of ₹ 17 lakhs from the original demand of ₹ 19 lakhs. Accordingly, the provision has been reduced to such extent. These amounts which have been provided for were appearing under 'Contingent Liabilities' earlier. Subsequently, as per approved resolution plan, no amount was payable to the statutory authorities and hence all such provisions were extinguished.
- (d) As at March 31, 2021 the Company was having funds amounting to ₹ 523 lakhs in relation to the Corporate Social Responsibility ("CSR") which were unspent. These unspent amounts as per the requirements of Section 135 of the Companies Act, 2013 ("Act") were to be transferred to funds specified under Schedule VII to the Act within a period of 6 months. However, the domestic lenders of the Company had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ("MCA") seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. Subsequently, as per the approved resolution plan, no amount was payable to the statutory authorities against their dues and hence all such dues were extinguished.
- (e) The Company has allotted Non-Convertible Debentures (NCDs) of ₹ 4,50,638 lakhs having face value of ₹ 1,000 each to NARCL Trust- 0007 as portion of assigned debt in terms of the approved resolution plan. These New NCDs are secured by a first charge on the receivables of the Company, both present and future, from its assets. The Company has filed form CHG-9 for the aforesaid securities and the same is pending for approval. (f) In terms of the approved resolution plan, accelerated payment made to NARCL Trust - 0007 against NCD 1 on March 27, 2024 basis NPV @ 8% for ₹ 18,291 lakhs and has been extinguished with the depositories.
- (g) 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, the Company has created Impairment Reserve of ₹ 6,21,376 lakhs as on September 30, 2023. Post approval of resolution plan the Company has sought approval from RBI for reversal of Impairment Reserve. RBI vide their email dated December 28, 2023 gave permission for reversing the Impairment Reserve to give effect to the resolution plan. Accordingly impairment reserve of ₹ 6,21,376 lakhs as on September 30 2023 has been transferred to restructuring reserve, and subsequently to retained earnings in terms of the approved resolution plan.
- (h) Business Transfer Agreement (BTA) and Scheme of Arrangement
During the year 2019-20, the Company and its holding Company, Srei Infrastructure Finance Limited (SIFL) entered into an agreement dated August 16, 2019, as amended ("Business Transfer Agreement") to transfer the Lending Business, Interest Earning Business & Lease Business of SIFL together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non-convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to the Company pursuant to the Business Transfer Agreement, subject to all necessary approvals. Accordingly, the Company and SIFL 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. In terms of the resolution plan as approved by Hon'ble NCLT vide its order dated August 11, 2023, for the case of continuation of the businesses of the Company as going concern and for the purposes of accounting, the slump exchange undertaken between the Company and Srei Infrastructure Finance Limited (SIFL) shall be considered to be effective from the effective date as provided under the Business Transfer Agreement dated August 16, 2019 (as amended), entered into between SEFL and SIFL, except as provided expressly in the approved resolution plan. Given that the accounting treatment of the BTA has already been reflected in the audited financial statements ending March 31, 2020, no further accounting impact is deemed necessary in the books of accounts to give effect to the resolution plan. It is further clarified that this treatment would be without prejudice to the rights of the CoC to pursue any legal actions in respect of such slump exchange, against the erstwhile Promoters or the Promoter Group.
- (i) All identifiable assets and liabilities of the Company has been recorded at their respective fair value and difference, if any, between the fair value of identifiable assets and liabilities has been transferred to restructuring reserves.

(j) According to the NCLT order, certain relief and concessions requested in the Resolution Plan fall outside the jurisdiction of the NCLT. Therefore, the SRA must seek these relief and concessions from the appropriate authority. The SRA has filed applications with various authorities to obtain these relief and concessions. The impact of these actions, if any, will be reflected in the books of accounts upon receiving responses from the respective authorities.

63. IMC, vide its resolution dated December 19, 2023 has declared that December 31, 2023 is closing date of balance sheet for the purpose of audit and its handover to the NARCL. The handover of the closing date balance sheet along with other necessary requirement including Reconstitution of the Board was to be done by the IMC at a later date and post completion of the handover activities by the IMC to SRA it was to be dissolved. The IMC has been dissolved and the Board of the Company has been reconstituted on 26th February, 2024 to take charge of the affairs of the Company in terms of the approved resolution plan. Accordingly, effect of approved resolution plan has been given in the audited financial statements for the year ended on March 31, 2024.

64. The audited financial statements of the Company for the year ended March 31, 2024 have been taken on record by the Board of Director of the Company on May 28, 2024. The IMC was dissolved and the Board was reconstituted on 26th February, 2024 till that time the affairs of the Company were managed by IMC through the Administrator (acting as a chairman of the IMC). Earlier since the Administrator had taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial results of the Company as they existed on October 4, 2021. However, subsequent to the approval of the resolution plan, which resolved the matter concerning the Business Transfer Agreement (BTA) as detailed in Note No. 62(g) above, the financial statements as of the March 31, 2024 had been prepared in accordance with the treatment specified in the Resolution Plan. All identifiable assets and liabilities of the Company as of the closing date had been recorded at the values stated in Note No. 62(h) above. Regarding information pertaining to period prior to October 4, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by the Chief Financial Officer, Company Secretary, Chief Business Officer, Chief Risk Officer, Chief Compliance Officer and Legal Head ("the existing officials of the Company"), who were also part of the Company prior to the appointment of the Administrator.

As part of the Resolution process, audits and reviews of the Company's processes and compliances were conducted, with professionals appointed to carry out transaction audits under sections 43, 45, 50, and 66 of the Code. The Administrator received transaction audit reports indicating fraudulent transactions amounting to ₹ 18,37,221 lakhs under section 66, including ₹ 1,22,731 lakhs deemed as undervalued transactions. Subsequently, applications were filed under sections 60(5) and 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) for adjudication. The Company had created ECL provisioning to the extent of 100% of gross exposure on such accounts, despite having some underlying securities as a matter of abundance prudence. Further, based on transaction audit reports, the Administrator filed another application before the NCLT on November 18, 2022, seeking adjudication for an amount of ₹ 84,787 lakhs representing the net shortfall in payments to the Company's lenders assigned the Pool Loans as of September 30, 2021.

Pursuant to the approved distribution mechanism in terms of resolution plan and in view of ongoing litigation of pool lenders of Rs.81,885 lacs, the Company has set-aside fund amounting to ₹ 15,599 lakhs and the balance amount of Rs.66,287 lacs has been extinguished by issuance of equity shares followed by subsequent capital reduction. As per the resolution of the 16th IMC dated December 7, 2023 apart from cash set aside portion of ₹ 15,599 lakhs, certain portion of Security Receipts is issued by NARCL Trust - 0007, which are backed by NCDs of ₹ 62,278 lakhs (apart from cash set aside portion of ₹ 15,599 lakhs) issued by the Company and ₹ 3,994 lakhs out of fund contributed by NARCL has been set aside by the erstwhile CoC in the name of UCO Bank with respect to pool lenders. The transaction audit has been completed and all the financial impact of the same has been incorporated in the audited financial statements.

65. Loan loss provisioning

The Company has been following provision policy based on RBI circular on Implementation of Ind AS for NBFCs dated March 13, 2020 to create Impairment Reserve which comprises of the excess provision as per Income Recognition, Asset classification and Provisioning norms (IRAC norms) as compared to the provision as per the ECL model adopted by the Company.

Pursuant to aforesaid circular, the company has created and maintained an Impairment Reserve in financial statement as on September 30, 2023.

Hon'ble NCLT vide its Order dated August 11, 2023 has approved the plan of the successful resolution applicant. In terms of approved resolution plan, all the existing reserves of SEFL (other than retained earnings) shall be transferred to restructuring reserve account and the balance in restructuring reserve account shall be transferred/ adjusted to retained earnings of SEFL shall be construed as free reserves for the purpose of Companies Act, 2013 and prescribed RBI guidelines. The same has also been approved by RBI vide email dated December 28, 2023.

In terms of approved resolution plan "the resolution applicant intends to continue corporate debtors as "a going concern" with a special focus on the retail loan/ lease portfolio.

Further the turnaround of business, as explained in plan, shall be carried out at SIFL level. SEFL shall continue to be a 100% subsidiary of SIFL. The entire existing loan book portfolio and/or fixed assets/investments etc. which are meant for recovery and disposal shall be retained/ transferred in SEFL. Upon completion of recovery from the portfolio, SEFL will either be merged into SIFL or a new vertical of lending business will be started in SEFL, or the business of SEFL may be transferred to any third party following the approach highlighted in the plan.

In view of the above stated facts, we are continuing with the existing ECL policy and wherever the ECL provision is lower than the requirement as per IRAC provision, the company shall make additional provision to the extent of IRAC provision as a Management overlay in ECL. This shall be done on a consistent basis.

The Company on the basis of abundant prudence, had decided to make provision to the extent of interest income recognised during the respective period on Net Stage - III accounts. Accordingly, the Company has made a total provision of ₹ 6,734 lakhs on such accounts for year ended March 31, 2024. This has resulted in increase in Impairment on Financial Instruments (Net) by ₹ 6,734 lakhs and thereby increase in loss by ₹ 6,734 lakhs year ended March 31, 2024.

Accordingly based on the ECL policy, the Company has made ECL provision aggregating to ₹ 77,024 lakhs and ₹ 6,39,549 lakhs for the quarter and year ended March 31, 2024 respectively.

66. Going Concern

As stated in Note No. 61, CIRP was initiated in respect of the Company w.e.f. October 8, 2021 and the resolution plan of NARCL was approved by Hon'ble NCLT vide order dated August 11, 2023. Based on the implementation steps as per approved resolution plan, the successful resolution applicant has adhered to the indicative timelines and is confident of improving the loan recovery, negotiated settlements, restructurings including pursuance of the arbitration awards, claims, legal cases etc. which would result in the Company being able to meet its committed obligations in due course of time. Accordingly, these audited financial statements have been prepared on a going concern basis.

67. Probable Connected / Related Companies

The Reserve Bank of India (RBI) in its inspection report and risk assessment report (the directions) for the year ended March 31, 2020 had identified "certain borrowers" as probable connected/related companies. As a part of the CIRP, the Administrator got conducted transaction audits/reviews relating to the process and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code.

With respect to such accounts, the Administrator has received account wise transaction audit reports, which has identified certain transactions as fraudulent in nature under section 66 of the Code, including undervalued transactions, the gross exposure of such borrower's amounts to ₹ 10,37,693 lakhs and ₹ 10,45,251 lakhs as on March 31, 2024 and as on March 31, 2023 respectively and the total exposure (net of impairment) towards such borrowers is ₹ Nil and ₹ Nil as on March 31, 2024 and as on March 31, 2023 respectively. In respect of such accounts, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates for adjudication. The Company has also made 100 % impairment on such accounts. The transaction audit has been completed and the necessary impact of the same has been incorporated in these audited financial statements.

68. As per section 125 of the Companies Act, 2013 a Company is required to transfer a certain amount lying unpaid, for 7 years, to the Investor Education Protection Fund ("IEPF"). Prior to the date of commencement of CIRP i.e. October 8, 2021 (CIRP commencement date) an amount of ₹ 18,574/- and post commencement of CIRP an amount of ₹ 7,70,634/- was transferable by Srei Equipment Finance Limited (SEFL) to IEPF in terms of section 125 of the Companies Act, 2013 on different dates till August 11, 2023.

During the CIRP period, the Company was unable to comply with the provision of Section 125 of the Companies Act, 2013 due to technical difficulties in filing the forms. Till date, the Company has transferred all the pending funds lying unpaid to IEPF except one case amounting to ₹ 63,536/- pertaining to post commencement of CIRP period.

69. Details of loan transferred / acquired during the quarter and year ended March 31, 2024 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 :-

- The Company has not transferred or acquired any loans not in default during the quarter and year ended March 31, 2024.
- The Company has not transferred or acquired any stressed loan during the quarter and year ended March 31, 2024.
- Details on recovery ratings assigned for Security Receipts as on March 31, 2024.

Recovery Ratings	Anticipated recovery as per recovery rating	(₹ in Lakhs)
RR1*	100%-150%	-
RR1	100%-150%	12,977
RR2	75%-100%	-
RR5**	0%- 25%	-

* The last available recovery rating is as at February 08, 2023, valid till June 30, 2023.

** The last available recovery rating is as at August 28, 2020, valid till December 31, 2020

70. Based on the information available in the public domain, some of the lenders have declared the bank account of the Company as fraud. However, in case of one of the lender, on the basis of petition filed by the ex-promoter before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated April 22, 2022, restraining the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the bank account as fraud. Thereafter vide order dated May 15, 2023, the application was disposed of directing that the order declaring the account of the Company as fraud was set aside. Further, liberty was granted to the banks to proceed ahead in accordance with the direction given in the aforesaid order.

During the year ended March 31, 2024, the Company has received Show Cause Notices (SCNs) from some of the Banks / Financial Institutions. The Resolution plan states as under

"Notwithstanding anything contained in the Resolution Plan and in accordance with Section 32A of the Code, the liability of the Corporate Debtors for an offence committed prior to the commencement of the CIRP, if any, shall cease, and neither the Corporate Debtors nor the Resolution Applicant shall be prosecuted for any such offence on and from the NCLT Approval Date. If a prosecution has been instituted during the CIRP against the Corporate Debtors, the Corporate Debtors shall stand discharged from the NCLT Approval Date."

Based on the above clause of Resolution plan the Erstwhile promoter of the Company are liable to answer the said Show Cause Notice.

71. Information as required pursuant to Regulation 52(4),54(2) and 54(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended are not applicable as the NCDs stands delisted with effect from December 14, 2023.

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

Signatories to Notes 1 to 72.

For J Kala & Associates

Chartered Accountants
ICAI Firm Registration No.
118769W

For Dass Gupta & Associates

Chartered Accountants
ICAI Firm Registration No. 000112N

For and on behalf of SREI Equipment Finance Limited

Jayesh Kala
Partner
Membership no. 101686

Raanja Jindal
Partner
Membership no. 097890

Avinash Kulkarni
Director
DIN No.02982164

P. Santhosh
Director
DIN No.08515964

Shamik Roy
Chief Executive Officer

Manoj Kumar Beriwala
Chief Financial Officer

Sumit Surana
Company Secretary

ANNEXURE - 1 TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Annexure- II of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

1. A comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') Norms and impairment allowances made under Ind AS 109 as on March 31st, 2024 is given below:

(₹ in Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per Income Recognition, Asset Classification and Provisioning (IRACP) norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	17,703	10,447	7,256	1,627	8,820
Standard	Stage 2	59	10	49	*	9
Subtotal for Standard		17,762	10,457	7,305	1,627	8,830
Non-Performing Assets (NPA)						
Substandard	Stage 3	43,304	15,292	28,012	13,825	1,467
Subtotal for Substandard		43,304	15,292	28,012	13,825	1,467
Doubtful - up to 1 year	Stage 3	6,69,569	6,52,113	17,456	6,36,736	15,377
1 to 3 years	Stage 3	14,28,342	12,31,354	1,96,988	12,02,120	29,234
More than 3 years	Stage 3	5,74,350	5,25,303	49,047	5,20,705	4,598
Subtotal for doubtful		26,72,261	24,08,770	2,63,491	23,59,561	49,209
Loss @	Stage 3	-	-	-	-	-
Subtotal for NPA		27,15,565	24,24,062	2,91,503	23,73,386	50,676
Subtotal		-	-	-	-	-
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1 (Loans)	17,703	10,447	7,256	1,627	8,820
	Stage 2 (Loans)	59	10	49	-	9
	Stage 3 (Loans)	27,15,565	24,24,062	2,91,503	23,73,386	50,676
	Stage 3 (Others)	-	-	-	-	-
	Total (Refer Note below)	27,33,327	24,34,519	2,98,808	23,75,013	59,505

*₹ 23,402/-

The above table excludes Loss Allowances (Provisions) towards Trade Receivables (Refer Note No. 5), Other Financial assets (Refer Note No. 8) and Repossessed Assets (Refer Note No. 13).

@ Loss represents :

(i) Claims receivable amounting to ₹ Nil after considering fair value change amounting to ₹ 84,653 lakhs (March 31st, 2023 : ₹ 62,196 lakhs after considering fair value change amounting to ₹ 22,457 lakhs).

(ii) Assets/collaterals acquired in satisfaction of debt amounting to ₹ Nil , the gross value of these assets/collaterals is ₹ 30,301 lakhs (March 31st, 2023: assets/collaterals acquired in satisfaction of debt amounting to ₹ 18,410 lakhs , the gross value of these assets/collaterals is ₹ 30,301 lakhs).

ANNEXURE - 1 TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Annexure- II of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

1. B. comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') Norms and impairment allowances made under Ind AS 109 as on March 31st, 2023 is given below:

(₹ in Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per Income Recognition, Asset Classification and Provisioning (IRACP) norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	69,140	12,818	56,322	8,300	4,518
Standard	Stage 2	3,598	455	3,143	187	268
Subtotal for Standard		72,738	13,273	59,465	8,487	4,786
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,13,377	38,115	75,262	27,240	10,875
Subtotal for Substandard		1,13,377	38,115	75,262	27,240	10,875
Doubtful - up to 1 year	Stage 3	10,54,366	8,30,756	2,23,610	9,76,712	(1,45,956)
1 to 3 years	Stage 3	12,48,509	7,19,537	5,28,972	9,73,807	(2,54,270)
More than 3 years	Stage 3	3,50,348	1,85,342	1,65,006	3,36,735	(1,51,393)
Subtotal for doubtful		26,53,223	17,35,635	9,17,588	22,87,254	(5,51,619)
Loss @	Stage 3	80,606	-	80,606	80,606	(80,606)
Subtotal for NPA		28,47,206	17,73,750	10,73,456	23,95,100	(6,21,350)
Additional impairment reserve	Stage 3	-	-	-	6,973	(6,973)
Subtotal		-	-	-	6,973	(6,973)
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	173	(173)	-	173
	Stage 2	-	-	-	-	-
	Stage 3	-	7,368	(7,368)	-	7,368
Subtotal		-	7,541	(7,541)	-	7,541
Total	Stage 1 (Loans)	69,140	12,991	56,149	8,300	4,691
	Stage 2 (Loans)	3,598	455	3,143	187	268
	Stage 3 (Loans)	27,66,600	17,81,118	9,85,482	23,21,467	(5,40,349)
	Stage 3 (Others)	80,606	-	80,606	80,606	(80,606)
	Total (Refer Note below)	29,19,944	17,94,564	11,25,380	24,10,560	(6,15,996)

@ Loss includes :

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

Note: The gross carrying amount in above table includes shortfall in payment to Company lenders who were assigned the pool loans (Refer Note No.6(i) and 61 to the financial statement of year ended March 31st, 2023)

The above table excludes Loss Allowances (Provisions) towards Trade Receivables (Refer Note No. 5) , Rental accrued but not due (Refer Note No. 8) , Interest retained on Pool Assigned (Refer Note No. 8) and Other Financial assets (Refer Note No. 8).Its also excludes Repossessed Assets (Refer Note No. 13).

2. Disclosure of details as required in terms of Appendix III-D (Annexure III) of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

Disclosure of Restructured Accounts

(₹ in Lakhs)

Sl. No.	Type of Restructuring		Under CDR Mechanism			Others			Total		
	Asset Classification		Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful
	Details										
1	Restructured Accounts on April 1st, 2023	No. of Borrowers	-	-	1	-	11	31	-	11	32
		Amount Outstanding	-	-	2,298	(1)	810	1,62,397	-	810	1,64,695
		Provision thereon	-	-	(2,307)	(119)	(95,662)	(66,433)	(119)	(95,662)	(68,740)
			-	-	2,097	-	351	1,15,586	-	351	1,17,683
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	1	-	-	1
		Amount Outstanding	-	-	-	-	-	5,430	-	-	5,430
		Provision thereon	-	-	-	-	-	2,935	-	-	2,935
			-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	No. of Borrowers	-	-	-	(-1)	(-10)	6	(-1)	(-10)	6
		Amount Outstanding	-	-	-	(-119)	(-94,564)	438	(-119)	(-94,564)	438
		Provision thereon	-	-	-	(-21)	(-18,808)	(78,017)	(-21)	(-18,808)	(78,017)
			-	-	-	-	-264	199	-	-264	199
6	Write-Offs of restructured accounts during the year	No. of Borrowers	-	-	-	-	(-1)	-4	-	(-1)	-4
		Amount Outstanding	-	-	-6	-	(-129)	(-5,845)	-	(-129)	(-5,851)
		Provision thereon	-	-	(-9)	-	(-288)	(1,257)	-	(-288)	(1,248)
			-	-	195	-	(-87)	20,662	-	(-87)	20,857
7	Restructured Accounts as on March 31st, 2024	No. of Borrowers	-	-	1	-	3	34	-	3	35
		Amount Outstanding	-	-	(1)	-	(11)	(31)	-	(11)	(32)
		Provision thereon	-	-	2,292	-	72	1,62,420	-	72	1,64,712
			-	-	(2,298)	-	(810)	(1,62,397)	-	(810)	(1,64,695)
		-	-	2,292	-	31	1,39,382	-	31	1,41,674	
		-	-	(2,097)	-	(351)	(1,15,586)	-	(351)	(1,17,683)	

Figures in the bracket indicates figures for the previous year.

Note:

i) Additional facilities (if any) availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under “Write-offs of restructured accounts”.

ii) For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/recovery/settlement (for any change in provision) is adjusted and disclosed under “Write-offs of restructured accounts” during the year.

3. Public disclosure on Liquidity Risk

Disclosure of details as required in terms of Appendix VI-A (Annexure VI) of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

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

As at	Number of Significant Counterparties	Amount (₹ in Lakhs) \$ #	% of Total deposits	% of Total Liabilities
March 31st, 2024	1	2,97,616	Not applicable	63%
March 31st, 2023 * @	15	24,46,942	Not applicable	75%

*Does not include overdue interest on Secured Non-convertible debentures, Secured Long Term Infrastructure Bond, Subordinated perpetual debentures and Subordinated redeemable non convertible debentures.

@ Significant counterparties are calculated basis participants in case of syndicated loan.

Above does not include Collateralised Borrowings.

\$ Amount is as per commercial terms

Please refer to Note A ,B & C as given below for the financial year ended March 31st,2024

(ii) Top 20 large deposits (amount in ₹ in Lakhs and % of total deposits) - Not applicable (March 31st, 2023; Not applicable)

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

As at March 31st, 2024		As at March 31st, 2023	
Amount (₹ in Lakhs) #	% of Total Borrowings	Amount (₹ in Lakhs) *#	% of Total Borrowings
3,02,496	100%	20,93,179	66%

*Does not include overdue interest on Secured Non-convertible debentures, Secured Long Term Infrastructure Bond, Subordinated perpetual debentures and Subordinated redeemable non convertible debentures.

#Above does not include Collateralised Borrowings.

Note A: In terms of the approved resolution plan, the Company has issued Non Convertible Debentures (NCD) amounting to ₹ 4,50,638 lakhs in lieu of part of debt assigned by financial creditors to NARCL Trust-0007.

NPV value has been considered as part of the total borrowing.

In terms of the approved resolution Plan accelerated payment made to NARCL Trust - 0007 against NCD 1 on March 27th, 2024.

Note B: In terms of the approved resolution plan, the Company has issued Optionally Convertible Debentures (OCD) to/on behalf of the financial creditors amounting to ₹ 8,00,000 lakhs having fair value of ₹ 6,028 lakhs. Fair value has been considered as part of the total borrowing.

Note C: In terms of the approved resolution plan, the Company has issued Compulsorily Convertible Preference Shares (CCPS) amounting to ₹ 11,69,168 lakhs in lieu of part of debt assigned by financial creditors to NARCL Trust-0007. CCPS has been considered as part of equity and not forming part of the total borrowing.

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product ##	As at March 31st, 2024		As at March 31st, 2023	
		Amount (₹ in Lakhs) \$ #	% of Total Liabilities	Amount (₹ in Lakhs) \$ #	% of Total Liabilities
1	Term Loan from Banks				
a.	Rupee Term loans - Secured	-	0%	2,19,881	7%
b.	Foreign currency Term loans - Secured	-	0%	95,196	3%
2	Working capital facilities	-	0%	20,02,432	62%
3	Term Loan from Others	-	0%		
a.	Rupee Term loans - Secured	-	0%	2,07,630	6%
b.	Foreign currency Term loans - Secured	-	0%	74,778	2%
4	Non-convertible debentures - Secured	2,97,616	63%	2,55,895	8%
5	Subordinated Non convertible debentures (Tier II Capital)	-	0%	2,30,469	7%
6	Redeemable Optionally Convertible Debenture-Unsecured (Tier II Capital)	6,028	1%	-	0%

Amount is as per commercial terms

##Above does not include Collateralised Borrowings.

(v) Stock Ratios:

Sr. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
1	Commercial Papers to Total Public Funds	-	-
2	Commercial Papers to Total Liabilities	-	-
3	Commercial Papers to Total Assets	-	-
4	NCDs (Original Maturity < 1 yr.) to Total Public Funds	-	-
5	NCDs (Original Maturity < 1 yr.) to Total Liabilities	-	-
6	NCDs (Original Maturity < 1 yr.) to Total Assets	-	-
7	Other Short-Term Liabilities to Total Public Funds # \$	10%	@
8	Other Short-Term Liabilities to Total Liabilities	7%	@
9	Other Short-Term Liabilities to Total Assets	7%	@

@ Repayments of Trade Payable, Debt Securities, Borrowings (Other than Debt Securities) excluding collateralised borrowings, Subordinate liabilities admitted as claims pursuant to initiation of CIRP (Refer Note No 1.2) are not determinable as these liabilities would be payable as per the resolution plan to be approved by adjudicating authority and hence it is not practical to disclose the stock ratios.

Other Short-Term Liabilities represents Total of Balance Sheet excluding total equity, Debt Securities, Borrowings (Other than Debt Securities) and Subordinated Liabilities, for maturity falling within 12 months.

\$ Public Fund includes NCDs and OCDs issued in terms of the approved resolution plan.

(vi) Institutional set-up for liquidity risk management:

The Company has undergone CIRP under the provisions of the Code and subsequently, resolution plan of NARCL has been approved by Hon'ble NCLT vide order dated August 11th, 2023. The borrowings of the Company has been realigned in terms of the approved resolution plan (Refer Note No 1.2 and 62). Post CIRP, the Company has reconstituted the Risk Management Committee. The Asset Liability Management Committee (ALMC) has also been reconstituted. The Financial risk management framework may need to be revisited and realigned in line with the revised strategy for implementation of the approved resolution plan.

Notes:

1. The Reserve Bank of India ('RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45-IE (5) (a) of the RBI Act, has constituted a three-member Committee of Advisors for advising the Administrator.
The RBI had also filed application for initiation of Corporate Insolvency Resolution Process ('CIRP') against the Company under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 8, 2021, admitted the application filed by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of the Company shall vest in the Administrator.
The Administrator, after adopting proper procedure, had filed applications for consolidated resolution process before the Hon'ble National Company Law Tribunal- Kolkata Bench (Hon'ble NCLT) in the case of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021). The application in this matter was admitted and the final order was received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited.
The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The resolution plan of NARCL approved by Consolidated Committee of Creditors (CoC) was filed before Adjudicating Authority on February 18, 2023 for its approval and the same was approved by Hon'ble NCLT vide its Order dated August 11, 2023.
2. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities.
3. Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.
4. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
5. Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023
6. In terms of the approved resolution plan, an Implementation and Monitoring Committee ("IMC") had been constituted which was empowered to supervise the implementation of the approved resolution plan and oversee the management of the affairs of the Company as per the terms of the approved resolution plan. The IMC in its meeting dated August 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and vide IMC resolution dated August 17, 2023 authorised him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the approved resolution plan. IMC stands dissolved and the Board of the Company was re-constituted on February 26, 2024 to take charge of the affairs of the Company.
 - (a) Important provisions of approved resolution plan alongwith various steps undertaken for the implementation of approved resolution plan are given below:
 - (i) The approved resolution plan shall be binding on the Company and other stakeholders involved in terms of section 31 of the Code.
 - (ii) The administrator shall stand discharged from his duties with effect from the order dated August 11, 2023, save and except the duties envisaged in the resolution plan.
 - (iii) An Implementation and Monitoring Committee ("IMC") had been constituted which was empowered to manage the affairs of the Company as per the terms of the approved resolution plan till the closing date. Thereafter implementation was carried out by IMC for implementation of the resolution plan.
 - (iv) IMC received the Implementation Notice dated September 22, 2023 from NARCL in terms of the approved resolution plan and referring to the Reallocation Notice dated September 21, 2023 issued by the Committee of Creditors (CoC) (CoC Re-allocation Notice), notifying the Effective Date as September 22, 2023, being the date on which NARCL, as the Resolution Applicant proposed to commence the Steps set out in Section 4 (Steps of Implementation) of the approved resolution plan.
 - (v) The Company, on instructions of the IMC, has taken necessary steps including making payments, to various stakeholders in terms of the approved resolution plan.
 - (vi) The Company had filed the application for delisting of the Non-Convertible Debentures ("NCDs") (including perpetual debt instruments) of the Company from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in terms of steps for the implementation as provided in the approved resolution plan. Accordingly, the record date for delisting of the NCDs (including perpetual debt instruments) issued by the Company was fixed on October 6, 2023. In the Delisting application dated September 28, 2023, the Company had informed the exchanges that the record date for determination of eligible holders for such debts is October 6, 2023 and that any payout to such eligible holders of debts will be made in terms of resolution plan. Subsequently, these NCDs were delisted by both the Stock Exchanges i.e. BSE and NSE with effect from December 14, 2023.
 - (vii) The Company has allotted Optionally Convertible Debentures (OCD) of ₹ 8,00,000 lakhs having face value of ₹ 1,000 each to domestic lenders and PNB Investment Services Ltd as security trustee for the benefit of assenting ECB lenders and assenting NCD holders in terms of the approved resolution plan vide IMC resolution on December 19, 2023 excluding one of the lender amounting to ₹ 151 lakhs due to non-receipt of necessary documents. In terms of the approved resolution plan, these OCDs are 'unsecured' with a possible conversion into equity and considering the non-visibility of future recovery for making payments towards such uncommitted instruments, the Company has considered initial recognition of OCD as "financial liability" as per IND AS 32 and to be recorded at fair value of ₹ 6,028 lakhs in the books of accounts as per IND AS 109.
 - (viii) The Company has allotted Non-Convertible Debentures (NCDs) of ₹ 4,50,638 lakhs having face value of ₹ 1,000 each to NARCL Trust- 0007 as portion of assigned debt in terms of the approved resolution plan vide IMC resolution on December 26, 2023.
 - (ix) The Company has allotted Compulsorily Convertible Preference Shares (CCPS) of ₹ 11,69,168 lakhs having face value of ₹ 100 each to NARCL Trust- 0007 in lieu of the balance portion of the assigned debt in terms of the approved resolution plan vide IMC resolution on December 26, 2023.

ANNEXURE - 1 TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Annexure- VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

4. Exposure

4.1. Exposure to real estate sector

(₹ in Lakhs)

Sl. No.	Category	As at March 31st, 2024	As at March 31st, 2023
(i)	Direct exposure		
(a)	Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
(b)	Commercial Real Estate # Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).Exposure would also include non-fund based (NFB) limits.	7,28,224	7,27,213
(c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate iii. Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
	Total Exposure to Real Estate Sector	7,28,224	7,27,213

Includes lending in Special Economic Zones / Industrial parks amounting to ₹ 2,60,092 lakhs (March 31st, 2023 ₹ 2,62,982 lakhs) that would have the characteristics of Commercial Real Estate (CRE) and these would simultaneously be classified as “Infrastructure Lending” in terms of RBI Circular on classification of exposures as CRE exposures.

4.2. Exposure to capital market

(₹ in Lakhs)

Sl. No.	Category	As at March 31st, 2024	As at March 31st, 2023
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt .	8,941	13,140
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds .	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security .	2,347	2,190
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances .	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter’s contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows / issues	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds:	-	-
	(i) Category I	-	-
	(ii) Category II	-	-
	(iii) Category III	-	-
	Total Exposure to Capital Market	11,288	15,330

Disclosure of details as required in terms of Annexure- VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

4.3. Sectoral exposure

(₹ in Lakhs unless otherwise stated)

Sectors	As at March 31st, 2024			As at March 31st, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) *	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) **	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	10,919	10,919	100%	10,070	10,070	100%
2. Industry	18,88,420	18,69,794	99%	20,71,290	19,01,365	92%
2.1 Mining & Quarrying (incl. Coal)	2,47,400	2,44,296	13%	2,64,380	2,52,233	12%
2.2 Food Processing	78	78	0%	73	73	0%
2.3 Textiles	-	-	0%	22	22	0%
2.4 Wood & Wood Products	24,292	24,292	1%	24,285	24,285	1%
2.5 Paper & Paper Products	-	-	0%	273	-	0%
2.6 Basic Metal & Metal Product	35,168	28,841	2%	37,451	29,410	1%
2.7 All Engineering	2,596	2,596	0%	2,819	2,819	0%
2.8 Construction	4,67,826	4,61,879	24%	5,68,508	4,79,606	23%
2.9 Infrastructure	11,05,031	11,01,783	58%	11,67,451	11,06,889	53%
2.9.1 Power	2,27,155	2,27,155	12%	2,27,756	2,27,604	11%
2.9.2 Roads	1,93,317	1,93,317	10%	1,94,059	1,93,446	9%
2.9.3 Water Treatment Plants	22,228	22,228	1%	22,811	22,811	1%
2.9.4 Electricity Generation	1,18,508	1,18,508	6%	1,22,973	1,18,403	6%
2.9.5 Electricity Distribution	96,175	96,175	5%	96,175	96,175	5%
2.9.6 Other Infrastructure	4,47,648	4,44,400	24%	5,03,677	4,48,450	22%
2.10 Other Industries	6,029	6,029	0%	6,028	6,028	0%
3. Services	8,72,210	8,29,401	95%	9,64,078	8,49,496	88%
3.1 Transport Operators	28,697	28,697	3%	33,437	29,292	3%
3.2 Computer Software	625	625	0%	625	625	0%
3.3 Tourism, Hotel and Restaurants	11	11	0%	2,341	11	0%
3.4 Professional Services	22,570	22,570	3%	24,770	22,570	2%
3.5 Commercial Real Estate	6,11,826	6,09,084	70%	6,11,720	5,90,087	61%
3.6 NBFCs	27,760	27,760	3%	53,431	53,431	6%
3.7 Aviation	1	-	0%	3,202	3,202	0%
3.8 Other Services	1,80,720	1,40,654	16%	2,34,552	1,50,278	16%
4. Personal Loans	5,694	5,451	96%	15,028	5,669	38%
4.1 Vehicle/Auto Loans	5,694	5,451	96%	15,028	5,669	38%

The above sector/sub-sector data is based on customer Sector.

* As at March 31st, 2024, sectoral exposure after considering liability towards assignment.

**As at March 31st, 2023 the sectoral exposure includes liability towards assignment amounting to ₹ 1,98,203 lakhs.

4.4. Intra-group exposures

- (i) Total amount of intra-group gross exposures : ₹ 3,162 lakhs as at March 31st, 2024 (March 31st, 2023 ₹ 29,241 lakhs)
- (ii) Total amount of top 20 intra-group gross exposures : ₹ 3,162 lakhs as at March 31st, 2024 (March 31st, 2023 ₹ 29,241 lakhs)
- (iii) Percentage of intra-group gross exposures to total gross exposure of the NBFC on borrowers/customers : 0.11% as at March 31st, 2024 (March 31st, 2023 is 1.02%)

4.5. Unhedged foreign currency exposure as at March 31st, 2024 and March 31st, 2023

NBFCs shall disclose details of its unhedged foreign currency exposures. Further, it shall also disclose their policies to manage currency induced risk.

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 the Company complied on an ongoing basis till the nine months ended December 31st, 2020. Thereafter, the Company was not able to meet the requirements of the aforesaid RBI notification due to procedural issues. The Company was not able to make payment of the hedge premium / cost to the banks concerned for keeping the ECB exposures hedged, as aforesaid.

Therefore, the banks concerned unwound the currency risk hedges, which resulted in ECB exposures amounting to ₹ 27,272 lakhs, as per contractual terms, being not hedged as on March 31st, 2023, in terms of the aforesaid RBI notification. The Company has reported the above fact to RBI and reply from the same is still awaited.

Further the Company, on instructions of the IMC, has taken necessary steps including making payments, to various stakeholders in terms of the approved resolution plan, issued optionally converted debentures, made assignment of debts and extinguished the remaining outstanding balances on closing date financial statements as at December 31st, 2023.

The Company's Financial Instruments are exposed to market changes due to which the Company is exposed to the following significant market risks:

- i. Foreign Currency Risk
ii. Interest Rate Risk

The Company undertook transactions denominated in foreign currency which resulted in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognized assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

The Company was exposed to interest rate risk as the Company borrowed foreign currency funds at fixed plus floating interest rate benchmarks. The Company managed this risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of derivative hedging products like interest rate swaps and cross currency interest rate swaps. The Company had managed both these risks as per regulatory requirements.

A moratorium was declared under section 14 of the IBC Code when the Company was under Corporate Insolvency Resolution Process (CIRP) (Refer Note No. 1.2). Post CIRP, the Company reconstituted the Asset Liability Management Commice (ALMC) which manages the foreign currency and interest rate risks, besides other market risks/core functions. The ALMC includes the Company's senior management. It defines the strategy for managing foreign currency and interest rate risks in the business.

In view of CIRP, the foreign currency liabilities were crystallized into INR as on October 8th, 2021 (Insolvency Commencement Date or ‘ICD’). Hence, there is no foreign currency risk as at March 31st, 2023. Further all the foreign currency borrowings were crystallized as on ICD. Hence, there is no foreign currency risk and interest rate risk as at March 31st, 2024 and March 31st, 2023.

5. Related Party Disclosure

(₹ in Lakhs)

Related Party Items	Ultimate Holding		Parent Company *		Fellow Subsidiaries		Associates/ Joint ventures		Chairman/Vice chairman & Independent directors		Key Management Personnel		Relatives of Key Management Personnel		Others (Entity having shareholding of holding Company)		Total	
	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023
Rent paid for Leased Premises during the year	-	-	79	79	312	312	-	-	-	-	-	-	-	-	-	-	391	391
Rent paid for Leased Premises outstanding as at	-	-	-	229	-	156	-	-	-	-	-	-	-	-	-	-	-	385
Liability for outstanding Rent Payable for Leased Premises extinguished by issue of equity share followed by subsequent capital reduction process in terms of the approved resolution plan during the year	-	-	229	-	156	-	-	-	-	-	-	-	-	-	-	-	-	385
Receivable of Security Deposit expensed off as Bad debt in terms of the approved resolution plan with corresponding reversal of ECL impairment loss allowance of ₹ 15,000 lakhs during the year	-	-	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	-
Security Deposit paid for Leased Premises Outstanding as at	-	-	-	15,000	2,350	2,350	-	-	-	-	-	-	-	-	-	-	2,350	17,350
Rent received for Leased Premises during the year	-	14	-	14	17	17	-	-	-	-	-	-	-	-	-	-	31	31
Rent received for Leased Premises outstanding as at	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	1
Intercompany Deposit Given (on maximum outstanding basis) during the year	-	-	-	31	-	-	-	-	-	-	-	-	-	-	-	-	-	31
Intercompany Deposit Given (on maximum outstanding basis) outstanding as at	-	-	-	25,671	-	-	-	-	-	-	-	-	-	-	-	-	-	25,671
Debt assigned to SIFL in lieu of receivable from SIFL towards intercompany deposit in terms of approved resolution plan during the year	-	-	25,671	-	-	-	-	-	-	-	-	-	-	-	-	-	25,671	-
Refund of Intercompany Deposit Given during the year	-	-	-	84	-	-	-	-	-	-	-	-	-	-	-	-	-	84
Reimbursement of IT Expense during the year	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	20
Other Receivables : Amount received during the year	-	-	3,949	208	-	-	-	-	-	-	-	-	-	-	-	-	3,949	208
Other Receivables : Amount paid during the year	-	-	3,949	208	-	-	-	-	-	-	-	-	-	-	-	-	3,949	208
Bank Guarantee issued outstanding as at	-	-	-	301	-	-	-	-	-	-	-	-	-	-	-	-	-	301
Bank guarantee issued on behalf of holding company (SIFL) has been permanently extinguished, discharged and settled in term of approved resolution plan during the year	-	-	301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-CIRP Claim Receivable during the year	-	-	-	107	-	-	-	-	-	-	-	-	-	-	-	-	-	107
Pre-CIRP Claim Receivable outstanding as at	-	-	-	107	-	-	-	-	-	-	-	-	-	-	-	-	-	107
Claim Receivable for Pre-CIRP period expensed off in terms of the approved resolution plan with corresponding reversal of ECL impairment loss allowance of ₹ 32 lakhs outstanding as at	-	-	107	-	-	-	-	-	-	-	-	-	-	-	-	-	107	-
Closure of Bank Guarantee during the year	-	-	-	116	-	-	-	-	-	-	-	-	-	-	-	-	-	116
Reduction in existing equity share capital held by SIFL in terms of the approved resolution plan during the year	-	-	7,802	-	-	-	-	-	-	-	-	-	-	-	-	-	7,802	-
Consideration payable to SIFL for reduction in equity share capital from ₹ 7,902 lakhs to ₹ 1 lakh in terms of approved resolution plan during the year	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	-
Consideration payable to SIFL for reduction in equity share capital from ₹ 7,902 lakhs to ₹ 1 lakh in terms of approved resolution plan outstanding as at	-	-	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	-
Loan Given (Secured) outstanding as at	-	-	-	-	3,162	3,162	-	-	-	-	-	-	-	-	-	-	3,162	3,162
Interest Income on Loan Given during the year	-	-	-	-	-	130	-	-	-	-	-	-	-	-	-	-	-	130
Interest Received on Security Deposit during the year	-	-	-	-	235	235	-	-	-	-	-	-	-	-	-	-	235	235
Interest Received on Security Deposit outstanding as at	-	-	-	-	-	113	-	-	-	-	-	-	-	-	-	-	-	113
Receivable of interest received on Security Deposit net off TDS expensed off as Bad debt in terms of the approved resolution plan outstanding as at	-	-	-	-	113	-	-	-	-	-	-	-	-	-	-	-	113	-
Consultancy Fees during the year	-	-	-	-	-	-	-	-	-	50	54	-	-	-	-	-	50	54
Sitting Fees during the year	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-	-	6	-
Sitting Fees outstanding as at	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	5	-
Sitting Fees (Extinguishment of the remaining liabilities of operational creditors in terms of approved resolution plan). Refer Note No. 62	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	5	-
Car Hire Charges during the year	-	-	-	-	-	-	-	-	-	-	-	24	30	-	-	-	24	30
Car Hire Charges outstanding as at	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	-	-	7
Car Hire Charges (Extinguishment of the remaining liabilities of employee and workmen dues in terms of approved resolution plan)	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	3	-
Advance given	-	-	-	-	-	-	-	-	-	15	-	-	-	-	-	-	15	-
Repayment of Advance	-	-	-	-	-	-	-	-	-	15	-	-	-	-	-	-	15	-
Payment towards loss of recovery fees during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	196	-	-	196	-
Payment towards reduction in value of NCDs during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	2,446	-	-	2,446	-
Short term employee benefit during the year	-	-	-	-	-	-	-	-	-	415	462	-	-	-	-	-	415	462
Short term employee benefit outstanding as at	-	-	-	-	-	-	-	-	74	22	118	-	-	-	-	-	22	191
Short-term employee benefits (Extinguishment of the remaining liabilities of employee and workmen dues in terms of approved resolution plan). Refer Note No. 62	-	-	-	-	-	-	-	-	74	-	11	-	-	-	-	-	85	-
Post employment benefit during the year	-	-	-	-	-	-	-	-	-	28	30	-	-	-	-	-	28	30
Post employment benefit outstanding as at	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	5

Related Parties are considered as per the above circular

* Other commitments - Payable to SIFL ₹ 10,000 lakhs per year for the first two years towards business rationalisation cost in terms of approved resolution plan

Note 1. Settlement of outstanding balances as at year end generally occurs in cash.

Note 2 Income or expenses are presented excluding GST.

Note 3 The Outstanding balances are before ECL Provisions if any, wherever applicable.

Note 4. All the related party transactions have been made in the ordinary course of business and the same are generally at arm's length price.

ANNEXURE - 1 TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Annexure- VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the "Master Directions") - Notes to Accounts for NBFCs

6. Disclosure of complaints

6.1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sl. No.	Category	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	37	20
2	Number of complaints received during the year	278	768
3	Number of complaints disposed during the year	299	751
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	16	37
	Maintainable complaints received by the NBFC from Office of Ombudsman		
	Number of maintainable complaints received by the NBFC from Office of Ombudsman pending at the beginning of the period	-	2
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	67	124
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	67	126
5.2.	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3.	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

6.2. Top five grounds of complaints received by the NBFC from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
As at and for the year ended March 31st, 2024					
Repayment & Collection	21	37	(89)%	6	4
NCD	3	-	(100)%	-	-
CIBIL	6	108	8%	1	-
Closure	4	62	(9)%	7	3
Loan & Advances	1	37	(23)%	2	2
Others *	2	34	(36)%	-	-
Total	37	278	(64)%	16	9
As at and for the year ended March 31st, 2023					
Repayment & Collection	3	344	40%	21	13
NCD	-	155	2114%	3	2
CIBIL	3	100	20%	6	2
Closure	2	68	74%	4	3
Loan & Advances	7	48	(26)%	1	-
Others *	5	53	(56)%	2	1
Total	20	768	38%	37	21

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

7. Corporate Governance

The Company is incorporating the Corporate Governance Report in the Annual Report of the Company for the financial year ended March 31st, 2024 and has incorporated the same for the financial year ended March 31st, 2023.

ANNEXURE - 1 TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Annexure- VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

8. Breach of covenant as at March 31st, 2024 and March 31st, 2023

For the year ended as at March 31st, 2024, the Company has complied with all the covenants in respect of debt securities and subordinate liabilities issued pursuant to the implementation of resolution plan and for the year ended as at March 31st, 2023, the Company has not complied with all the covenants in respect of loan availed, debt securities and subordinate liabilities issued.

Some of the major financial covenants are w.r.t. Capital Adequacy Ratio, NPA ratios, Debt Equity ratio, Interest coverage ratio, Security / Asset coverage ratios, Net worth related ratios, Profitability related ratios and minimum required ratings etc.(Also Refer Note No.1.2)

In terms of the approved resolution plan, all non-compliances of the Company for the period prior to the closing date under any contracts/agreements entered by Company shall be deemed to be waived by all the counter parties to such contracts/agreements without levying any fee, penalty, termination payment or damages and any financial liabilities, debt, Claims or obligations arising pursuant to any such non-compliances shall be, and be deemed to be, pennantly extinguished by virtue of the order of the NCLT.

9. Divergence in Asset Classification and Provisioning

(₹ in Lakhs)

Sl. No.	Particulars	Amount
1	Gross NPAs as on March 31, 2020* as reported by the NBFC	3,32,466
2	Gross NPAs as on March 31, 2020 as assessed by the Reserve Bank of India	12,14,772
3	Divergence in Gross NPAs (2-1)	8,82,306
4	Net NPAs as on March 31, 2020 as reported by the NBFC	2,19,217
5	Net NPAs as on March 31, 2020 as assessed by Reserve Bank of India	6,13,596
6	Divergence in Net NPAs (5-4)	3,94,379
7	Provisions for NPAs as on March 31, 2020 as reported by the NBFC	1,13,249
8	Provisions for NPAs as on March 31, 2020 as assessed by Reserve Bank of India	6,01,176
9	Divergence in provisioning (8-7)	4,87,927
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2020	43,605
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2020	5,591
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2020 after considering the divergence in provisioning [11 - (a+b) Refer Note below]	-4,94,909

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

Note :	(a) Divergence in provisioning (refer point no. 9 of above table)	4,87,927
	(b) Provisions required for likely losses in off – balance sheet items	12,573

SREI EQUIPMENT FINANCE LIMITED
ANNEXURE - 1 TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Annexure- VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2024		As at March 31st, 2023	
		Amount outstanding *	Amount overdue *#	Amount outstanding**	Amount overdue**
10.	Liabilities side:				
	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
	a) Debentures				
	- Secured	2,97,597	-	2,59,944	2,59,944
	- Unsecured	6,236	-	2,45,633	2,45,633
	(Other than falling within the meaning of public deposits)				
	b) Deferred credits	-	-	9,123	9,123
	c) Term loans	-	-	6,54,429	6,54,429
	d) Inter- corporate loans and borrowings	-	-	106	106
	e) Commercial paper	-	-	-	-
	f) Other Loans (Tier II Loan, Buyers Credit, Working Capital Demand Loan etc)	525	-	20,22,509	20,19,304

* Refer Note No. 1.2 and 62

The balance lying in escrow bank accounts in lieu of of court injunction order has been adjusted with overdue amount.

** Refer Note No. 1.2, 63, 64, 65 and 66 of the Financial Statements for the year ended March 31st, 2023.

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
		Amount outstanding	Amount outstanding
11.	Assets side:		
	Break-up of Loans and Advances including bills receivables [other than those included in (13) below]:		
	(a) Secured	26,37,431	25,90,666
	(b) Unsecured	95,896	1,66,053
	Total (a) + (b) (Refer Note No. 10 of the Financial Statements)	27,33,327	27,56,719
12.	Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	Refer note 1	Refer note 1
	(b) Operating Lease	Refer note 1	Refer note 1
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	Refer note 1	Refer note 1
	(b) Repossessed Assets	Refer note 1	Refer note 1
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	Refer note 1	Refer note 1
	(b) Loans other than (a) above	Refer note 1	Refer note 1

Note 1: The Company has not disclosed amount outstanding under assets financing activities as the RBI has merged Asset Financing Companies (AFC's), Loan Companies and Investment companies into a new category “NBFC - Investment and Credit Company” vide its circular no. DN BR (PD) CC. No. 097/03.10.001/2018-19 dated February 22nd, 2019.

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - 1 TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Annexure- VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
		Amount Outstanding	Amount Outstanding
13.	Break-up of Investments		
	<u>Current Investments :</u>		
	1. <u>Quoted :</u>		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. <u>Unquoted :</u>		
	(i) Shares : (a) Equity	-	2,476
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (Pass Through Certificates etc)		
	<u>Long term Investments</u>		
	1. <u>Quoted :</u>		
	(i) Shares : (a) Equity	980	277
	(b) Preference		
	(ii) Debentures and Bonds	10,470	11,468
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		
	2. <u>Unquoted :</u>		
	(i) Shares : (a) Equity	3,978	5,811
	(b) Preference	-	65
	(ii) Debentures and Bonds	5,664	6,574
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others*	12,977	37,069

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

14. Borrower Group-wise Classification of assets financed as in (11) and (12) above

(₹ in Lakhs)

Sl. No.	Category	Amount (Net of provisions)					
		As at March 31st, 2024			As at March 31st, 2023 #		
		Secured	Unsecured	Total	Secured	Unsecured	Total
(i)	Related parties*						
	a) Subsidiaries	-	-	-	-	-	-
	b) Companies in the same group	77	-	77	85	12,836	12,921
	c) Other related parties	-	-	-	-	-	-
(ii)	Other than related parties	2,98,364	367	2,98,731	9,12,336	37,128	9,49,464
	Total	2,98,441	367	2,98,808	9,12,421	49,964	9,62,385

* As per Ind AS 24: Related Party Disclosures.

Refer Note No. 63 to the Financial Statements for the year ended March 31, 2023.

15. Investor Group wise Classification of all Investments in Shares and Securities

(₹ in Lakhs)

Sl. No.	Category	As at March 31st, 2024		As at March 31st, 2023	
		Market Value/Break up or Fair value or NAV	Book value (net of provision)	Market Value/Break up or Fair value or NAV	Book value (net of provision)
(i)	Related parties *				
	a) Subsidiaries	-	-	-	-
	b) Companies in the same group	-	-	-	-
	c) Other related parties	-	-	-	-
(ii)	Other than related parties	34,068	34,068	63,740	63,740

* As per Ind AS 24: Related Party Disclosures.

16. Other Information :

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2024		As at March 31st, 2023	
		Excluding Impairment Reserve	Including Impairment Reserve #	Excluding Impairment Reserve	Including Impairment Reserve #
i.	Gross Non-Performing Assets				
	(a) Related Parties	3,162	3,162	28,833	28,833
	(b) Other than related Parties	27,12,403	27,12,403	27,37,767	27,37,767
ii.	Net Non-Performing Assets #				
	(a) Related Parties	77	77	12,921	12,921
	(b) Other than related Parties	2,91,426	2,91,426	9,72,561	4,32,212
iii.	Assets / Receivables acquired in satisfaction of debt (net) #	-	-	80,606	-

Includes Impairment Reserve created for Non performing Loans amounting to ₹ Nil (March 31st, 2023 : ₹ 5,40,349 lakhs) and Assets / Receivables acquired in satisfaction of debt amounting to ₹ Nil (March 31st, 2023 : ₹ 80,606 Lakhs) pursuant to the RBI regulatory guidance on 'Implementation of Indian Accounting Standards' [Refer Note No. 62(g) and Note No. 1 of Annexure - I to notes to the financial statements].

17. Disclosure of details as required in terms of Annexure- XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

Loans to Directors, Senior Officers and relatives of Directors

(₹ in Lakhs)

Particulars	As at and for the year ended March 31st, 2024	As at and for the year ended March 31st, 2023
Directors and their relatives	Nil	Nil
Entities associated with directors and their relatives	Nil	Nil
Senior Officers and their relatives	7	Nil

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - 1 TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Appendix XXI-A (Annexure XXI) of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

18.i.Liquidity Coverage Ratio (LCR)

(₹ in Lakhs)

Particulars	As at March 31st, 2024		As at December 31st, 2023		
	Total Unweighted value (average) *	Total Weighted value (average) #	Total Unweighted value (average) *	Total Weighted value (average) #	
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)	51,772	51,772	48,915	48,915
(i)	Cash on hand	1	1	1	1
(ii)	Balances with Banks - in Current Account	9,168	9,168	9,207	9,207
(iii)	Fixed Deposit Accounts Non Lien	42,603	42,603	39,707	39,707
CASH OUTFLOWS					
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-
(i)	Subordinated Liabilities	-	-	-	-
(ii)	Borrowings (Other than Debt Securities)	-	-	-	-
4	Secured wholesale funding	33	38	725	833
(i)	Borrowings (Other than Debt Securities)	33	38	725	833
(ii)	Debt Securities	-	-	-	-
5	Additional requirements, of which	9,417	10,830	32,906	37,842
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-
(iv)	Other Financial Liabilities	9,337	10,738	32,901	37,836
(v)	Trade Payable	80	92	5	6
6	Other contractual funding obligations	-	-	1,30,692	1,50,296
(i)	Liability towards Assignment	-	-	1,30,692	1,50,296
7	Other contingent funding obligations	-	-	-	-
8	TOTAL CASH OUTFLOWS	9,450	10,868	1,64,323	1,88,971
CASH INFLOWS					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	1,109	832	11,01,498	8,26,123
(i)	Trade Receivables	114	85	104	78
(ii)	Loans	995	747	11,01,394	8,26,045
11	Other cash inflows	978	733	729	547
(i)	Derivative Financial Instruments	-	-	-	-
(ii)	Other contingent inflows	-	-	-	-
(iii)	Other Financial Assets	978	733	729	547
12	TOTAL CASH INFLOWS	2,087	1,565	11,02,226	8,26,670
			Total Adjusted Value		Total Adjusted Value
13	TOTAL HQLA		51,772		48,915
14	TOTAL NET CASH OUTFLOWS OVER THE NEXT 30 DAYS (Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))		9,302		47,243
15	LIQUIDITY COVERAGE RATIO (%)		557%		104%

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

Classification of inflows and outflows for determining the run off factors is based on the management estimates and assumptions.

18. (ii). Qualitative discussion around Liquidity Coverage Ratio (LCR)

The LCR requirement is binding on all non-deposit taking NBFCs with asset size of ₹10,000 crore and above from December 1, 2020, progressively increasing with the minimum LCR to be 50 percent by December 1, 2020, 60 percent by December 1, 2021, 70 percent by December 1, 2022 , 85 percent by December 1, 2023 and till it reaches the required level of 100 percent by December 1, 2024 .

The Company, during the quarter ended March 31st, 2024, had maintained average HQLA (after haircut) of ₹ 51,773 lakhs against ₹ 48,915 lakhs for the quarter ended December 31st, 2023.

- (a) Main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time :- As stated above in point no. 18 (i) wherever applicable
- (b) Intra-period changes as well as changes over time:- As stated above in point no. 18 (i) wherever applicable
- (c) Composition of HQLAs :- It comprises of high quality liquid assets (HQLA s) as numerator and net cash outflows in 30 days as denominator stated above in point no. 18 (i). HQLA primarily includes cash on hand, bank balances in current account and non-lien demand deposits with Scheduled Commercial Banks
- (d) Concentration of funding sources :- Refer Note No.3 of Annexure-1
- (e) Derivative exposures and potential collateral calls :- There is no derivative exposure , hence no potential collateral calls
- (f) Currency mismatch in the LCR :- Not applicable
- (g) Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile :- As stated above in point no. 18 (i) wherever applicable

The Company had submitted a letter dated November 30, 2020, December 31, 2021 and August 31, 2022 to RBI seeking forbearance of compliance with Liquidity Coverage Ratio (LCR).Further the Company has not been able to meet the regulatory requirement of the LCR framework for the reason stated in Note No. 64 & 66 to the Financial Statements for the year ended March 31, 2023.

Pursuant to initiation of CIRP as on October 8th, 2021 (Refer Note No. 1.2) all the debts owed to financial Creditors/operational/other creditors have crystallized as on Insolvency Commencement date i.e. October 8th, 2021.These debts were payable as per the resolution plan to be approved by adjudicating authority, hence, the expected date of repayments of claims of financial/operational/other creditors and consequent total net cash outflows over the next 30 calendar respective quarters ended from September 30, 2021 to September 30, 2023 were not determinable. Accordingly, it was not practicable to disclose the LCR in respect of such quarters.

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19. Capital

(₹ in Lakhs unless otherwise stated)

Sl. No.	Items	As at March 31st, 2024 ** @	As at March 31st, 2023** @
(i)	CRAR (%)	(2.91)%	(386.21)%
(ii)	CRAR - Tier 1 Capital (%)	(2.91)%	(386.21)%
(iii)	CRAR - Tier 2 Capital (%)	1.25%	1.25%
(iv)	Amount of subordinated debt raised as Tier-2 capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments*	-	-

* As at March 31st, 2024, the amount of principal outstanding in respect of unsecured subordinated perpetual debentures is ₹ Nil (March 31st, 2023 : ₹ 13,750 lakhs) which is Nil (March 31st, 2023 : (0.58)%) of total Tier I Capital.

** Does not include off-balance sheet items as considering the same under the scenario of negative CRAR-Tier I capital will have a favourable impact on CRAR-Tier I Ratio.

@ If Tier II capital exceeds Tier I capital, amount exceeding Tier I capital is not considered for Total capital funds & if Tier I capital is negative, Tier II capital is ignored. Further, subordinated debts have not been considered in Tier II capital as Tier I capital is negative.

20. Investments

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
20.1	Value of Investments		
(i)	Gross Value of Investments	43,658	73,330
	(a) In India	43,658	73,330
	(b) Outside India	-	-
(ii)	Provisions for Depreciation	9,590	9,590
	(a) In India	9,590	9,590
	(b) Outside India	-	-
(iii)	Net Value of Investments	34,068	63,740
	(a) In India	34,068	63,740
	(b) Outside India	-	-
20.2	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	9,590	9,590
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	9,590	9,590

21. Derivatives

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

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	-

21.2 Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the period	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at period end	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

Disclosure of details as required in terms of Annexure XXII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (the “Master Directions”) - Notes to Accounts for NBFCs

21.3 Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

The Company's Financial Instruments were exposed to market changes due to which the Company was exposed to the following significant market risks:

- i. Foreign Currency Risk
- ii. Interest Rate Risk

The Company undertook transactions denominated in foreign currency which resulted in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognized assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

The Company was exposed to interest rate risk as the Company borrowed foreign currency funds at fixed plus floating interest rate benchmarks. The Company managed this risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of derivative hedging products like interest rate swaps and cross currency interest rate swaps. The Company had managed both these risks as per regulatory requirements.

A moratorium was declared under section 14 of the IBC Code when the Company was under Corporate Insolvency Resolution Process (CIRP) (Refer Note No. 1.2). Post CIRP, the Company reconstituted the Asset Liability Management Committee (ALMC) which manages the foreign currency and interest rate risks, besides other market risks/core functions. The ALMC includes the Company's senior management. It defines the strategy for managing foreign currency and interest rate risks in the business.

In view of CIRP, the foreign currency liabilities have been crystallised into INR as on October 8th, 2021 (Insolvency Commencement Date or 'ICD'). Hence, there is no foreign currency risk as at March 31st, 2023. Further all the borrowings have been crystallised as on ICD.

In terms of the approved resolution plan (Refer Note No. 1.2 and 62) foreign currency liabilities were extinguished after making payments, debt assignments and issuance of new instruments on the closing date financial statements as at December 31st, 2023. Hence, there is no foreign currency risk and interest rate risk as at March 31st, 2024 and March 31st, 2023.

(ii) Quantitative Disclosures

Sl. No.	Particulars	(₹ in Lakhs)			
		As at March 31st, 2024		As at March 31st, 2023	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging	-	-	-	-
(ii)	Marked to Market Positions				
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

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22. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31st, 2024 are as follows:

(₹ in Lakhs)											
Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances (refer note - 1 & 2 below)	571	2	536	493	894	7,872	10,306	34,737	34,276	26,43,753	27,33,440
Investments	-	-	-	-	55	418	13,840	2,986	2,313	14,456	34,068
Borrowings (refer note - 3 below)	-	-	33	33	33	102	213	1,16,709	1,81,000	6,235	3,04,358
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

Note:

- Advances represent the maturity pattern of gross loans and trade receivables. Performing Loans are stipulated in time buckets as per the original/revised repayment schedule and non-performing loans are in the 3 to 5 year time-bucket and over 5 year time-bucket as per RBI guideline.
 - As at March 31st, 2024, time buckets of loans has been shown after considering of liability towards assignment (Refer Note No.62). Receivables on account of assigned loans/lease/ other receivables have been adjusted from loans only. Entire operating lease receivables of NPA assigned cases has been reversed , however for ALM purpose the same has been considered "over 3 & upto 5 years" and "above 5years" bucket as per RBI guidelines.
 - Repayments of borrowings have been considered as per the contractual obligations (Refer Note No. 1.2, and 62).
- Maturity pattern of certain items of assets and liabilities as at March 31st, 2023 are as follows:

(₹ in Lakhs)											
Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances (refer note - 1 & 2 below)	1,31,961	68	2,562	3,457	2,916	12,904	25,007	46,149	1,14,702	26,53,157	29,92,883
Liability towards Assignment *	(1,91,191)	(947)	(720)	(862)	(1,226)	(1,869)	(1,309)	(79)	-	-	(1,98,203)
Investments (refer note - 2 below)	-	-	2,476	-	1,155	152	750	37,379	3,327	18,501	63,740
Borrowings (refer note - 3 below)	156	(3)	382	431	397	615	749	525	-	-	31,91,742
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

* Amount in first bucket includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation (Also Refer Note No. 61 to the Financial Statements for the year ended March 31, 2023).

Note:

- Advances represent the maturity pattern of gross loan assets and receivables for operating lease assets.
- The maturity pattern of Investments, Loan Assets measured at FVTOCI and overdue amounts on Loans have been considered on the basis of Management's best estimates.
- Repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2, 65 and 66 to the Financial Statement for the year ended March 31st,2023).

23. Exposure

23.1 Exposure to Real Estate Sector

(₹ in Lakhs)			
Sl. No.	Category	As at March 31st, 2024	As at March 31st, 2023
a)	Direct Exposure		
(i)	Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
(ii)	Commercial Real Estate # Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	7,28,224	7,27,213
(iii)	Investments in Mortgage Backed Securities and other securitised exposures		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	Indirect exposure	-	-
	Total Exposure to Real Estate Sector	7,28,224	7,27,213

Includes lending in Special Economic Zones / Industrial parks amounting to ₹ 2,60,092 lakhs (March 31st, 2023 ₹ 2,62,982 lakhs) that would have the characteristics of Commercial Real Estate (CRE) and these would simultaneously be classified as “Infrastructure Lending” in terms of RBI Circular on classification of exposures as CRE exposures.

23.2 Exposure to Capital Market

(₹ in Lakhs)			
Sl. No.	Category	As at March 31st, 2024	As at March 31st, 2023
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;*	8,941	13,140
(ii)	Advances against shares / bonds / debentures or other securities on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	2,347	2,190
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;		-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		-
(vii)	Bridge loans to companies against expected equity flows / issues;		-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	1,090
	Total Exposure to Capital Market	11,288	16,420

* Includes equity shares, optionally convertible debentures and compulsorily convertible preference shares acquired in satisfaction of debts.

23.3 Details of Financing of Parent Company Products :

Financing of Parent Company products during the financial year ended March 31st, 2024 is ₹ Nil (March 31st, 2023 ₹ Nil).

23.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has exceeded the prudential exposure limits during the year ended March 31st, 2024 and March 31st, 2023 with respect to Single Borrower Limit (SBL) and Group Borrower Limit (GBL).

23.5 Unsecured Advances

Unsecured advance represents unsecured Loans as at March 31st, 2024 is ₹ 95,896 lakhs (March 31st, 2023 ₹ 1,66,053 lakhs) and it includes advances amounting to ₹ Nil (March 31st, 2023 ₹ Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

24. Miscellaneous

NBFCs shall put up to the Board of Directors, at regular intervals, as may be prescribed by the Board in this regard, the following:

24.1 (i) The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC

The Company has undergone CIRP under the provisions of the Code and subsequently, resolution plan of NARCL has been approved by Hon'ble NCLT vide order dated August 11th, 2023. The borrowings of the Company has been re aligned in terms of the approved resolution plan (Refer Note No 1.2 and 62). Post CIRP, the Company has reconstituted the Risk Management Committee. The Asset Liability Management Committee (ALMC) has also been reconstituted. The Financial risk management framework may need to be revisited and realigned in line with the revised strategy for implementation of the approved resolution plan.

24.1 (ii) Conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

The Company is incorporating the Corporate Governance Report in the Annual Report of the Company for the Financial Year ended March 31, 2024 and has incorporated the same for the Financial Year ended March 31, 2023.

24.2 Registration obtained from other financial sector regulators : None

24.3. Penalties have been imposed by RBI or any other Regulators during the financial year ended March 31st, 2024 and March 31st, 2023 as below:

(₹ in lakhs)

Sl. No.	Regulatory Body	Reason	For the year ended March 31st, 2024	For the year ended March 31st, 2023
(i)	Bombay Stock Exchange	Non compliance of regulation 52(1) of SEBI Listing Obligations and Disclosure Requirements, 2015	-	-
(ii)	The Calcutta High Court Advocates Clerks Philanthropic Trust	Filing Affidavit as per NCLT Kolkata bench Order, dt 20 12 22 deposited with "Calcutta High Court Advocates Clerks Philanthropic Trust" for Maa Chandī Durga Ispat Pvt Ltd / C P (IB) No 83/KB/2022, Citadel Law Chambers	-	*
(iii)	The Calcutta High Court Advocates Clerks Philanthropic Trust	Filing Affidavit as per NCLT Kolkata bench Order, dt 20 12 22 deposited with "Calcutta High Court Advocates Clerks Philanthropic Trust" for Maa Chandī Durga Ispat Pvt Ltd / C P (IB) No 83/KB/2022, Citadel Law Chambers	-	**
(iv)	PAO (Pay and Accounts Office), Chennai	Paid to PAO, Chennai through the non - tax receipt portal(Bharat Kosh), Anant Meradhia	-	5
(v)	P M Relief Fund	Penalty paid to PM Relief Fund as per order of NCLT Indore Bench, Ahmedabad	-	-
(vi)	Bihar GST Authorities	Penalty for delay in filling of GSTR 9C for the FY:2018-19 u/s 125 of CGST Act,2017 for Bihar against Order dated 5-Aug-21, ICICI Tax A/e	-	-
(vii)	Durgapur Municipal Corporation	Late fine for Trade Licence of Durgapur Branch renewal	-	***
(viii)	Securities and Exchange Board of India	Securities and Exchange Board of India (SEBI) had passed Order No Order/BRK/JS/2022-23/16719 dated 31.05.2022 where it had Imposed a penalty of Rs 5,00,000/- (SEBI Vs Dewan Housing Finance Corporation Ltd.	-	5
(ix)	National Stock Exchange	Email received from NSE for Penalty Imposed for Non Compliance under regulation 50(1) of SEBI LODR	-	****
(x)	Bombay Stock Exchange	Email received from BSE for Penalty Imposed for Non Compliance under regulation 50(1) of SEBI LODR	-	*****
(xi)	Bombay Stock Exchange	BSE vide Letter dated 21st October 2022 One day Fines arising due to Non compliance of SEBI (LODR) Regulation, 2015	-	*****
(xii)	National Stock Exchange	Non compliance of regulation 52(1), 52(4), 54(2) of SEBI Listing Obligations and Disclosure Requirements, 2015	-	-

* ₹ 25,000 /-

** ₹ 15,000/- for the year ended March 31st, 2023

*** ₹ 8,952 /- for the year ended March 31st, 2023

**** ₹ 5,000 /- for the year ended March 31st, 2023

***** ₹ 5,000 /- for the year ended March 31st, 2023

***** ₹ 6,000 /- for the year ended March 31st, 2023

24.4 Related Party Transactions

24.4.1 The Company is incorporating the details of all material transactions with related parties in the Annual Report of the Company for the Financial year ended March 31st, 2024.

24.4.2 The Company is incorporating the policy on dealing with related party transactions on its website and also in the Annual Report of the Company for the Financial Year ended March 31st, 2024.

24.5 Ratings assigned by credit rating agencies and migration of ratings during the period

Sl. No.	Particulars	As at March 31st, 2024@			As at March 31st, 2023		
		CARE	BRICKWORK * \$	ACUITE	CARE	BRICKWORK *#	ACUITE
(i)	Long-Term Banking facilities	-	-	-	CARE D	-	-
(ii)	Short-Term Banking Facilities	-	-	-	CARE D	-	-
(iii)	Short-Term Debt Instruments	-	-	-	-	BWR D	-
(iv)	NCDs/Bonds	-	-	-	CARE D	BWR D	ACUITE D
(v)	Unsecured Subordinated/Tier-II Debentures/Bonds	-	-	-	CARE D	BWR D	ACUITE D
(vi)	Perpetual Debentures	-	-	-	CARE D	BWR D	-

* 'Issuer Not Cooperating (INC)' category

#Vide order dated 6th Oct 2022, SEBI had cancelled Certificate of Registration (COR) of Brickwork Ratings India Private Limited as a Credit Rating Agency (CRA). The CRA has been directed to wind down its operations within a period of six months from the date of the aforesaid Order and not to take any new clients /fresh mandates from the date of Order. RBI has also vide press release dated October 12th, 2022 communicated the same to all Regulated Entities. Further, pursuant to initiation of CIRP, all the debts owed to financial Creditors have crystallized as on Insolvency Commencement Date i.e. October 8, 2021 and these debts would be payable as per the resolution plan to be approved by Adjudicating Authority. In view of the above, at this juncture, the Company has not approached other CRAs for getting fresh ratings for the instruments rated by the Brickwork Ratings.

SSEBI has restrained Brickwork Ratings on September 13th, 2023 from on boarding new clients or taking fresh mandates from existing clients for six months. On March 26th, 2024, SEBI has removed the aforesaid restrictions and allowed Brickwork Ratings for on boarding new clients and can also take fresh mandates from existing clients.

@All the debts owed to financial creditors has been extinguished after making payments, debt assignments and issuance of new instruments in terms of the approved resolution plan (Refer Note No. 1.2 and 62) on the closing date financial statements as at December 31st, 2023. Due intimation and communication for withdrawal of ratings has been made to all the rating agencies.

Sl. No.	Particulars	As at March 31st, 2024 #		As at March 31st, 2023	
		CARE	BRICKWORK	CARE	BRICKWORK
(i)	Long Term Banking facilities @	-	-	CARE D	-
(ii)	Short Term Banking Facilities @	-	-	CARE D	-
(iii)	NCDs/Bonds @	-	-	CARE D	-
(iv)	Unsecured Subordinated/Tier-II Debentures/Bonds @	-	-	CARE D	-

@ This represents rating assigned for outstanding borrowings which was transferred from SIFL pursuant to slump exchange.(Refer Note No.64 to the Financial Statements for the year ended March 31, 2023).

All the debts owed to financial creditors has been extinguished after making payments, debt assignments and issuance of new instruments in terms of the approved resolution plan (Refer Note No. 1.2 and 62) on the closing date financial statements as at December 31st, 2023. Due intimation and communication for withdrawal of ratings has been made to all the rating agencies.

24.6 Remuneration of Directors

The Company is incorporating all pecuniary relationship or transactions of the non-executive directors vis-à-vis the company in the Annual Report of the Company for the Financial Year ended March 31st, 2024.

24.7 Management

The Company is incorporating as part of the Directors' report or as an addition thereto, a Management Discussion and Analysis report which shall form part of the Annual Report to the shareholders to the extent applicable. This Management Discussion & Analysis shall include discussion on the following matters within the limits set by the company's competitive position:

- Industry structure and developments.
- Opportunities and Threats.
- Segment-wise or product-wise performance.
- Outlook.
- Risks and concerns.
- Internal control systems and their adequacy.
- Discussion on financial performance with respect to operational performance.
- Material developments in Human Resources/Industrial Relations front, including number of people employed.

24.8 Net Profit or Loss for the period, prior period items and changes in accounting policies

The Company does not have any impact of prior period items and changes in accounting policies in the net profit and loss for the current year ended March 31st, 2024 and previous year ended March 31st, 2023.

24.9 Revenue Recognition

There were no circumstances noted during the current year ended March 31st, 2024 and previous year ended March 31st, 2023, in which the Company has postponed revenue recognition pending the resolution of significant uncertainties.

24.10 Consolidated Financial Statements (CFS)

There are no domestic and foreign subsidiaries of the Company as at March 31st, 2024 and March 31st, 2023, hence the requirement of presenting the CFS is not applicable.

25. Additional Disclosures

25.1 Provisions and Contingencies

Sl. No.	Particulars	(₹ in Lakhs)	
		For the year ended March 31st, 2024	For the year ended March 31st, 2023
	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account		
(i)	Provision for depreciation on Investment	-	-
(ii)	Provisions towards NPA/ Write-offs and Other Financial assets #	6,85,250	12,50,470
(iii)	Provision made towards Income tax (Refer Note No. 62)	-	-
(iv)	Other Provision and Contingencies		
	- Provision for Employee Benefits	84	308
	- Provision for Standard Assets ##	(2,818)	(97,398)
		6,82,516	11,53,380

Includes Impairment Reserve created for Non performing Loans ₹ Nil (March 31st, 2023 : ₹ 1,14,635 lakhs) pursuant to the RBI regulatory guidance on 'Implementation of Indian Accounting Standards' [Refer Note No. 62(g) and Note No. 1 of Annexure - I to notes to the financial statements].

Includes Impairment Reserve created for Standard Loans amounting to ₹ Nil (March 31st, 2023 : ₹ 70,926) lakhs pursuant to the RBI regulatory guidance on 'Implementation of Indian Accounting Standards' [Refer Note No. 62(g) and Note No. 1 of Annexure - I to notes to the financial statements].

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25.2 Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 23 of the Notes to the Financial Statements.

25.3 Concentration of Deposits, Advances, Exposures and NPAs

25.3.1 Concentration of Advances

(₹ in Lakhs unless otherwise stated)

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
(i)	Total Advances to twenty largest borrowers	11,12,778	11,14,504
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	40.71%	40.43%

25.3.2 Concentration of Exposures

(₹ in Lakhs unless otherwise stated)

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
(i)	Total Exposure to twenty largest borrowers / customers	11,12,778	11,14,504
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	40.07%	38.94%

25.3.3 Concentration of NPAs

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2024	As at March 31st, 2023
(i)	Total Exposure to top four NPA accounts	3,77,219	3,77,227

25.3.4 Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
(i)	Agriculture & allied activities	*
(ii)	MSME	
(iii)	Corporate borrowers	
(iv)	Services	
(v)	Unsecured personal loans	
(vi)	Auto loans	
(vii)	Other personal loans	

* The Company is primarily engaged in financial services to its customer across India. The portfolio has been bifurcated into assets finance / infrastructure loans in various Infrastructure sectors which includes IT, construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

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25.4 Movement of Non Performing Assets (NPAs)

(₹ in Lakhs unless otherwise stated)

Sl. No.	Particulars	As at March 31st, 2024		As at March 31st, 2023	
		Excluding Impairment Reserve	Including Impairment Reserve #	Excluding Impairment Reserve	Including Impairment Reserve #
(i)	Net NPAs to Net Advances (%) @	81.84%	81.84%	91.80%	83.48%
(ii)	Movement of NPAs (Gross)				
	(a) Opening balance	27,66,600	27,66,600	21,50,430	21,50,430
	(b) Additions during the period	51,606	51,606	7,57,828	7,57,828
	(c) Reductions during the period *	1,02,641	1,02,641	1,41,658	1,41,658
	(d) Closing balance	27,15,565	27,15,565	27,66,600	27,66,600
(iii)	Movement of Net NPAs				
	(a) Opening balance	9,85,482	4,45,133	13,89,913	9,64,199
	(b) Additions during the period	17,903	20,984	1,57,903	64,046
	(c) Reductions during the period *	7,11,882	1,74,614	5,62,334	5,83,112
	(d) Closing balance	2,91,503	2,91,503	9,85,482	4,45,133
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)				
	(a) Opening balance	17,81,118	23,21,467	7,60,517	11,86,231
	(b) Provisions made during the period	6,93,681	1,68,752	11,04,488	12,23,971
	(c) Write-off / write-back of excess provisions	50,737	66,157	83,887	88,735
	(d) Closing balance	24,24,062	24,24,062	17,81,118	23,21,467

* It includes write - off during the period.

@ Net Advances represents Loans, Trade Receivables and Net Block of Assets for Operating Lease.

Includes Impairment Reserve created for Non performing Loans amounting to ₹ Nil (March 31st, 2023 : ₹ 5,40,349 lakhs) pursuant to the RBI circular no. RBI/2019-20/170 DOR (NBFC),CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards' [Refer Note No. 62(g) and Note No. 1 of Annexure - I to notes to the financial statements].

25.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) : Nil

25.6 Off Balance Sheet SPV's sponsored : Nil

26. Disclosure of Complaints

Sl. No.	Customer Complaints	As at March 31st, 2024	As at March 31st, 2023
(i)	No. of complaints pending at the beginning of the year	-	2
(ii)	No. of complaints received during the year	67	124
(iii)	No. of complaints redressed during the year	67	126
(iv)	No. of complaints pending at the end of the year	-	-

SREI EQUIPMENT FINANCE LIMITED**ANNEXURE - 2 TO NOTES TO THE FINANCIAL STATEMENTS**

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

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

Statement on Impact of Audit Qualifications (for audit report with qualified opinion) submitted along with views of management on audit qualifications for the financial year ended and as at March 31st, 2024 is given in **Annexure 3**

28. Items of income and expenditure of exceptional nature.

Items of Income of Exceptional nature (₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Income of Exceptional nature	-	-

Items of Expenditure of Exceptional nature (₹ in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Impairment on Financial Instruments (Net) (A)	-	9,37,100
Net gain/ (loss) on financial instruments at fair value through profit or loss - Unrealised		
- Investments	-	44,173
- Loan	-	22,149
- Claims Receivable	-	12,171
Total Net gain/(loss) on fair value changes - Unrealised (B)	-	78,493
Total (A+B)	-	10,15,593

ANNEXURE - 3 TO NOTES TO THE FINANCIAL STATEMENTS

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

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March,2024

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	72,750	72,750
	2	Total Expenses (including tax expense)	8,37,479	8,38,169
	3	Net Profit/(Loss)	(7,64,729)	(7,65,419)
	4	Earnings Per Share - Basic	(1345.22)	(1346.44)
		-Diluted	(208.54)	(208.73)
	5	Total Assets	4,59,770	4,59,080
	6	Total Liabilities	4,70,811	4,70,811
	7	Net Worth	(11,155)	(11,845)
	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: Qualified Opinion
c. Frequency of qualification: Repeated for Sl. No. (a) with updated value and new for Sl. No. (b)
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 qualifications are reproduced in Sl no (a) and (b) of Annexure-A. Refer comment given by management in Sl no. (a) and (b) 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 : None

(ii) If management is unable to estimate the impact, reasons for the same: None

(iii) Auditors' Comments on (i) or (ii) above : Our views remains unchanged considering the matter referred in basis for qualified opinion from paragraph (a) and (b) of our Independent Auditors Report dated May 28, 2024 on the Audited Ind AS Financial Statements of the Company for the year ended and as at March 31, 2024.

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

Annexure-A

Details of Audit Qualification (s)	Management's Views *
<p>Basis for Qualified Opinion</p> <p>(a) Property, Plant and Equipment includes assets having gross book value of Rs. 5,070 lakhs and written down value of Rs. 525 lakhs as on March 31st, 2024 are either not in possession of the company or not physically found by the company. No provision for the same has been made in accounts. As informed by the Company, the management has initiated legal proceedings for recovery of the Property, Plant and Equipment against the assets not in the possession of the Company having gross book value Rs. 4,795 lakhs and written down value of Rs. 518 lakhs as on March 31, 2024. Further, as also informed to us by the management of the company, for the other items of PPE having gross book value Rs. 275 lakhs and written down value of Rs. 7 lakh as on March 31, 2024, the management is in the process of reverification regarding the availability of these assets. Accordingly, we are unable to comment on the impact of the same, if any, on the Ind AS Financial Statements. We have issued a disclaimer of Opinion report on the basis of above matters in preceding year ended March 31st, 2023.</p>	<p>(a) Management's View :</p> <p>The assets not in the possession of the Company were lying at leasehold properties for which the tenancies have been terminated during CIRP process. The Company had sent reminders for return of the said assets. Since these reminders did not yield results, the Company has initiated various legal proceedings for recovery of the same. For assets, which are not traceable the Company is in the process of taking suitable necessary action for the same.</p>
<p>(b) Intangible assets having gross book value of Rs. 835 lakhs and written down value of Rs.165 lakhs as on March 31st, 2024 are not accessible for use to the company. No provision for the same has been made in accounts. As informed to us by the management of the company, the management is in the process of reverification regarding the usability of these assets. Accordingly, we are unable to comment on the impact of the same, if any, on the Ind AS Financial Statements.</p>	<p>(b) Management's View</p> <p>The Company is in the process of taking suitable necessary action in the financial year ended March 31st, 2025 for intangible assets, which are not accessible for use .</p>
<p>Material Uncertainty Related to Going Concern</p> <p>We draw attention to Note No. 66 to the Ind AS Financial Statements which states that the Company has been admitted to CIRP and the resolution plan of National Asset Reconstruction Company Limited ("NARCL") has also been approved by Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") on August 11, 2023. However, the Company has reported net loss during the year ended March 31st, 2024 and earlier year/periods as well. As a result, the Company's net worth has fully eroded and it has not been able to comply with various regulatory ratios/limits etc. All this has impacted the Company's ability to continue its operations in normal course in future. These events or conditions, along with other matters, indicate that there is a material uncertainty which casts significant doubt about the Company's ability to continue as a 'going concern' in the foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Ind AS Financial Statements on a going concern basis.</p>	<p>Management's View</p> <p>As stated in Note No. 61 to the audited Ind AS financial statements for the year ended March 31st, 2024 , CIRP was initiated in respect of the Company w.e.f. October 8, 2021 and the resolution plan of NARCL was approved by Hon'ble NCLT vide order dated August 11, 2023. Based on the implementation steps as per approved resolution plan, the successful resolution applicant has adhered to the indicative timelines and is confident of improving the loan recovery, negotiated settlements, restructurings including pursuance of the arbitration awards, claims, legal cases etc. which would result in the Company being able to meet its committed obligations in due course of time. Accordingly, these audited financial statements have been prepared on a going concern basis.</p>