INDEX

ANNUAL FINANCIAL STATEMENT OF SUBSIDIARIES

FOR THE FINANCIAL YEAR 2018-19

SREI

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twentieth Annual Report on the business and operations of the Company together with the audited annual accounts for the Financial Year ended March 31, 2019.

FINANCIAL RESULTS AND OPERATIONS

(Amount in Lakhs)

Particulars	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Total Income	961.18	524.58
Total Expenditure	910.58	434.76
Profit / Loss Before Depreciation/Bad debts/ Provision and Tax	50.60	89.82
Depreciation	0.24	0.16
Profit / Loss Before Bad Debts / Provision and Tax	**50.36**	**89.66**
Bad Debts / Provisions for Bad & Doubtful Debts, etc.	-	51.81
Profit / (Loss) Before Tax	**50.36**	**37.85**
Provision for Current Tax	10.42	6.45
MAT Credit entitlement	-	-
Deferred Tax	3.96	9.75
Income Tax in respect of earlier years	-	(1.65)
Profit / (Loss) After Tax	**35.98**	**23.30**
Balance brought forward from previous year	158.50	136.24
Other Comprehensive Income	(0.19)	(1.04)
Balance carried to Balance Sheet	**194.29**	**158.50**
Paid up Equity Share Capital	505.00	505.00
Amount transferred to Reserves		-

During the year under review, your Company's Total Income stands at Rs. 961.18 Lakhs as compared to the previous year Total Income of Rs. 524.58 Lakhs and the Company's Profit after Tax (PAT) stands at Rs. 35.98 Lakhs as compared to PAT of Rs. 23.30 Lakhs in the previous financial year.

REVIEW OF OPERATIONS & FUTURE PROSPECT

The Capital Markets globally have been quite volatile during the year under review due to various factors such as volatile oil prices, intensifying trade conflicts and sanctions. The Indian capital markets have also been affected by these factors. Capital markets in India both debt and equity has become increasingly important over time for India's growth story. The Securities and Exchange Board of India (SEBI) has taken several steps and policy measures to facilitate financing from Equity Market and the development of a vibrant corporate bond market.

During the year under review your Company successfully handled its first Qualified Institutions Placement.

The Insolvency and Bankruptcy regime, which came into effect in 2016, has been providing a market-driven, time-bound process for insolvency resolution of a corporate debtor, thereby helping financial institutions to clean up their balance sheets. Most importantly, it is aiding a paradigm shift in the extant credit culture and discipline. Distressed asset resolution remained the predominant theme for the Indian economy. Your Company provided end-to-end advisory in acquisition/resolution of companies and implementation of Resolution Plans under the aegis of the Insolvency and Bankruptcy Code during the year under review.

Your Company provides a full range of merchant banking services including Capital Markets, Private Equity placement, and M&A advisory and is supported by highly skilled and dedicated management team. The resolution of stressed assets through the Insolvency and Bankruptcy Code (IBC) has become the preferred mode of breaking the logjam in the Indian financial system. Your Company having the required domain knowledge and experienced employees in this field contemplates opportunities for M&A advisory services in the coming years. Your Company expects to be able to consolidate its position and achieve better results in the coming years.

DIVIDEND

With a view to plough back the profit of the Company, the Board of Directors of your Company does not recommend any dividend for the financial year 2018-19.

TRANSFER TO RESERVES

The Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2018-19.

SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Ventures and Associate Company in terms of provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 and hence disclosure is not required.

PUBLIC DEPOSITS

The Company has not invited or accepted any deposits from the public covered in terms of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavour to improve energy conservation and utilization, safety and environment.

Your Company has not utilized or earned any foreign exchange during the year under review (Previous Year - Nil).

DIRECTOR & KEY MANAGERIAL PERSONNEL

APPOINTMENT AND RESIGNATION OF DIRECTOR

During the year under review, Mr. Ratiranjan Mandal (DIN: 01129023), resigned as Director of your Company w.e.f. 8th May, 2018. The Board wishes to place on record its sincerest appreciation for the valuable contribution, advice and guidance extended by Mr. Mr. Ratiranjan Mandal during his tenure as a Director of your Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with relevant Rules made thereunder and pursuant to the Articles of Association of your Company, Mr. Ashok Kumar Pareek (DIN: 01894662), Whole Time Director of your Company is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The said Director has submitted Form DIR-8 with your Company as required under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board, therefore, recommends his re-appointment as Director of your Company.

KEY MANAGERIAL PERSONNEL

The Board at its meeting held on 13th May, 2014 have appointed Mr. Ashok Kumar Pareek, Whole-time Director, designated as Executive Director and Mr. Manoj Agarwal, Company Secretary of the Company as the KMP of the Company w.e.f. 1st April, 2014 in terms of the provisions of Section 203 of the Companies Act, 2013. There were no changes in the KMP of the Company during the financial year under review.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed/ noted in the subsequent Board meeting.

During the Financial Year 2018-19, five meetings of the Board of Directors of the Company were held on 18th April, 2018, 26th July, 2018, 4th September, 2018, 24th October, 2018 and 30th January, 2019. The maximum time gap between any two consecutive meetings did not exceed 120 days.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are set out in the annexure to the Directors' Report and forms part of the Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2018-19, the Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

However, the details of Investments made in other body corporates as on 31st March, 2019, are as follows:

Sr. No.	Name of Person/ Body corporate	Whether investment made/loan given/ guarantee given/security provided in connection with loan/security acquired by way of subscription, purchase or otherwise	Purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee	Amount (Rs. in Lakhs)	Rate of interest

			or security		
1.	Andhra Bank	Investment in 100 equity shares	N.A.	0.03	N.A
2.	Bank of Baroda	Investment in 500 equity shares	N.A.	0.64	N.A
3.	Bank of India	Investment in 100 equity shares	N.A.	0.10	N.A
4.	Corporation Bank	Investment in 500 equity shares	N.A.	0.14	N.A
5.	HDFC Bank Ltd.	Investment in 500 equity shares	N.A.	11.59	N.A
6.	ICICI Bank Ltd.	Investment in 550 equity shares	N.A.	2.20	N.A
7.	IDBI Bank Ltd.	Investment in 120 equity shares	N.A.	0.06	N.A.
8.	Oriental Bank of Commerce	Investment in 100 equity shares	N.A.	0.12	N.A.
9.	State Bank of India	Investment in 1340 equity shares	N.A.	4.30	N.A.
10.	Kotak Mahindra Bank Ltd	Investment in 600 equity shares	N.A.	8.01	N.A.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all related party transactions entered into by your Company during the financial year ended March 31, 2019, were in the ordinary course of business and were on an arm's length basis, hence, Form AOC-2 is not applicable to your Company.

EXTRACT OF THE ANNUAL RETURN

The extract of annual return as on the financial year ended March 31, 2019 in Form No. MGT-9 is annexed and form part of this Board Report.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to policies and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorised use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

RISK MANAGEMNET

The Company has proper procedures in place for development and implementation of a risk management. A risk register is prepared based on identification of those events that expose the organization to uncertainty. Mitigation and follow up plans are discussed with the senior management and included in the risk register, and updated from time to time.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company is guided under the policy framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, in the Group as a whole. No complaint is received during the year ended 31st March, 2019.

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA), vide its notification dated 16th February, 2015, notified Indian Accounting Standard (Ind AS) applicable to certain Class of Companies. Ind AS has replaced has the Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Company has adopted Ind AS with effect from 01st April, 2018 and accordingly the Financial Statements of the Company along with the comparative has been prepared in accordance with the recognition and measurement principle stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder.

The Reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Note 25 in the notes to the Financial Statement.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was Rs.5,05,00,000/- divided into 50,50,000 Equity Share of Rs.10/- each. There were no changes in the Share Capital of the Company during the period under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no significant and material orders has been passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act), your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates 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 and of the profit of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

On the recommendation of the erstwhile Audit Committee and the Board of Directors of your Company, the Members at their Annual General Meeting held on 25th July, 2014, appointed Messrs G. P. Agrawal & Co, Chartered Accountants, Kolkata, having Registration No. 302082E allotted by the Institute of Chartered Accountants of India (ICAI), as the statutory Auditors of the Company for a term of five years, who shall hold the office till the conclusion of the Twentieth Annual General Meeting of the Company, in accordance with Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013.

In terms of the provisions of Section 139(1) of the Companies Act, 2013, the Board of Directors of the Company has approved the appointment of Messrs G. P. Agrawal & Co., Chartered Accountants, for a further period of five years to hold the office from the conclusion of the ensuing AGM till the conclusion of Twenty-fifth AGM and has recommended the same for shareholders' approval at the ensuing AGM. Your Company has received confirmation from the said Auditor that their appointment is within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the sustained support and co-operation received from the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Bankers, Investors, Clients, Business Associates and holding Company, Srei Infrastructure Finance Limited. Your Directors also wish to place on record their deep appreciation to all the employees for their whole hearted and dedicated services and look forward to their continued support in the future as well.

On behalf of the Board of Directors

Sd/-

Place : Kolkata
Dated : 19th April, 2019

Shyamalendu Chatterjee
Chairman
(DIN: 00048249)

SREI

PARTICULARS OF EMPLOYEES

Information pursuant to Section 134(3)(q) of the Companies Act, 2013, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, referred to in the Directors' Report for the year ended on 31st March, 2019, and forming part thereof.

Name	Age	Designation	Qualification	Remuneration (Rs.)	Date of commencement of employment	Working Experience (years)	Previous Employment, Designation
Ashok Kumar Pareek	51	Executive Director	B.Com, FCS	80,00,923/-	11.09.2004	29	A K Pareek & Company as Proprietor

Note:

1. The appointment of Mr. Ashok Kumar Pareek is contractual.
2. Remuneration includes Basic Salary, Allowances, Employer's Contribution to PF, Medical Re-imbursement, LTA, Ex-Gratia and Incentive.
3. Mr. Ashok Kumar Pareek is overall in-charge of the Company.
4. Mr. Ashok Kumar Pareek does not hold any equity shares in the Company.
5. Mr. Ashok Kumar Pareek is not related to any of the Directors of the Company.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	U67190WB1998PLC087155
ii)	Registration Date	19-05-1998
iii)	Name of the Company	Srei Capital Markets Limited
iv)	Category / Sub-Category of the Company	Company limited by shares
v)	Address of the Registered office and contact details	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046
vi)	Whether listed company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private limited Karvy Selenium, Tower B, Plot 31-32, Gachbowli, Financial District, Nanakramguda, Hyderabad, Telangana -500032 Contract – (040) 67162222, Email- venu.sp@karvy.com

II. Principal business activities of the company

Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Merchant Banking	66190	92.62

III. Particulars of holding, subsidiary and associate companies

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	Srei Infrastructure Finance Limited, Vishwakarma' 86C, Topsia Road (S) Kolkata – 700 046	L29219WB1985PLC055352	Holding	100	2(46) of Companies Act, 2013

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a) Individual / HUF	-	600	600	0.01	-	600	600	0.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50,49,400	50,49,400	99.99	-	50,49,400	50,49,400	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**50,50,000**	**50,50,000**	**100**	-	**50,50,000**	**50,50,000**	**100**	-
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	**50,50,000**	**50,50,000**	**100**	-	**50,50,000**	**50,50,000**	**100**	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-

Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**50,50,000**	**50,50,000**	**100**	-	**50,50,000**	**50,50,000**	**100**	-

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Srei Infrastructure Finance Limited	50,49,400	99.99	-	50,49,400	99.99	-	-
2	Mr. Gajendra Kumar Singh (Beneficial Owner	100	0.002	-	100	0.002	-	-

	being Srei Infrastructure Finance Limited)							
3	Mr. Sunil Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.002	-	100	0.002	-	-
4	Mr. Manoj Beriwala (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.002	-	100	0.002	-	-
5	Mr. Hemant Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.002	-	100	0.002	-	-
6	Mr. Sandeep Lakhotia (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.002	-	100	0.002	-	-
7	Mr. Sanjeev Sancheti (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.002	-	100	0.002	-	-
	Total	**50,50,000**	**100**	-	**50,50,000**	**100**	-	

iii) Change in Promoters' Shareholding (please specify, if there is no change) – No change

Sl. No.	**Particulars**	**Shareholding at the beginning of the year (As on 01.04.2018)**		**Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)**	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50,50,000	100	50,50,000	100
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	50,50,000	100	50,50,000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	**Particulars**	**Shareholding at the beginning of the year (As on 01.04.2018)**		**Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)**	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the**	**No. of shares**	**% of total shares of the**

			company		company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments

Particulars	**Secured Loans Excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due (Net of TDS)	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs.)
1.	Gross salary	**Mr. Ashok Kumar Pareek, (Whole-time Director)**	**MD**	**Manager**	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	74,25,677	-	-	74,25,677
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	**74,25,677**	-	-	**74,25,677**
	Ceiling as per the Act	5% of the net profit			

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (Rs. In Lakhs)
		Mr. Shayamalendu Chatterjee	Mr. Debasish Som	Dr. Ratiranjan Mandal	Mr. Vinod Kumar Anand Juneja	
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	2. Other Non-Executive Directors • Fee for attending board / ~~committee~~ meetings • Commission • Others, Consultancy Fees	 1.25 - -	- 1.25 - 64.80	 0.25 - -	 1.25 - -	 4.00 - 64.80
	Total (2)	1.25	66.05	0.25	1.25	68.80
	Total (B)=(1+2)	1.25	66.05	0.25	1.25	68.80
	Total Managerial Remuneration	1.25	66.05	0.25	1.25	68.80
	Overall Ceiling as per the Act	1% of the net profit				

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Venkata Sreeram Kumar Gumparti* (CEO)	Mr. Manoj Agarwal, (Company Secretary)	CFO	Total (Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	13,80,034	36,10,991 32,400 -	-	49,91,025 32,400 -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**13,80,034**	**36,43,391**	-	**50,23,425**

* Mr. Venkata Sreeram Kumar Gumparti was resigned w.e.f 31.01.2019.

VII. Penalties / punishment/ compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the Board of Directors

Sd/-
Shyamalendu Chatterjee
Chairman
(DIN: 00048249)

Date: 19.04.2019
Place: Kolkata

Independent Auditor's Report

To the Members of
Srei Capital Markets Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Srei Capital Market Limited ("The Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind As, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

To the Members of
Srei Capital Markets Limited

Responsibility of Management for Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards)Rules,2015,as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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.

To the Members of
Srei Capital Markets Limited

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 41 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.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

To the Members of
Srei Capital Markets Limited

a. 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.

b. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

c. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

f. 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 financial statements – Refer Note 31 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-
(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner
Place of Signature: Kolkata
Dated: the 19th day of April, 2019

To the Members of
Srei Capital Markets Limited

"ANNEXURE A" TO THE AUDITOR'S REPORT

Statement referred to in our report of even date to the members of Srei Capital Market Limited on the financial statements for the year ended 31st March, 2019.

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.

c) As the Company has no immovable property, provisions of clause (i)(c) of para 3 of the said order is not applicable to the Company.

(ii) As the Company has no inventory, provisions of clause (ii) of para 3 of the said order is not applicable to the Company.

(iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (d) of paragraph 3 of the said order are not applicable to the Company.

(iv) The Company has neither given any loan, guarantee or security nor made any investment under the provisions of section 185 and 186 of the Act. Therefore, clause (iv) of paragraph 3 of the said order is not applicable to the Company.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Companies Act 2013 are not applicable to the Company.

(vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Goods and Service tax or cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

To the Members of
Srei Capital Markets Limited

Name of the Statute	Nature of dues	Period to which pertain	Amount Rs.	Forum where the dispute is pending
Finance Act, 1994	Service Tax	FY 2007-08	7,632,005	The commissioner of Service Tax
Income Tax Act, 1961	Fringe Benefit Tax	(F.Y. 2005-06 to 2008-09)	*	*

*The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta which has been dismissed vide order dated 01.09.2017. The management of the Company has filed appeal before the Divisional bench of Hon'ble High Court, Calcutta on 04.07.18. However, amount of FBT liability has not been determined by the department and hence could not be disclosed (Refer note 31 to the financial statement).

(viii) On the basis of our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution. The Company has not taken any loans or borrowing from bank or Government. The Company has not issued any debentures.

(ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The money raised by way of term loans have been applied for the purpose for which the loans were obtained.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

(xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable accounting standards.

To the Members of
Srei Capital Markets Limited

(xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.

(xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company

(xvi) On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-
(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: the 19th day of April, 2019

To the Members of
Srei Capital Markets Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SREI CAPITAL MARKET LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Srei Capital Market Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 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.

To the Members of
Srei Capital Markets Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting 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.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-
(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: the 19th day of April 9

SREI CAPITAL MARKETS LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakh)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	2	0.58	0.32	0.05
(b) Financial Assets				
(i) Investments	3	27.19	21.81	19.30
(c) Deferred Tax Assets (Net)	4	33.71	37.60	46.99
(d) Income Tax Assets (Net)	5	74.86	136.16	167.83
(e) Other Non Current Assets	6	7.63	7.63	7.63
Total Non - Current Assets (I)		**143.97**	**203.52**	**241.80**
Current Assets				
(a) Financial Assets				
(i) Investments	3	-	-	197.82
(ii) Trade Receivables	7	84.31	5.40	200.05
(iii) Cash and Cash Equivalents	8	130.03	202.77	36.89
(iv) Other Bank Balance	9	-	295.00	-
(v) Loans	10	505.00	-	-
(vi) Other Financial Assets	11	0.27	1.37	0.29
(b) Other Current Assets	12	6.32	34.81	2.75
Total Current Assets (II)		**725.93**	**539.35**	**437.80**
TOTAL ASSETS (I+II)		**869.90**	**742.87**	**679.60**
EQUITY AND LIABILITY				
EQUITY				
(a) Equity Share Capital	13	505.00	505.00	505.00
(b) Other Equity	14	194.29	158.50	136.24
Total Equity (III)		**699.29**	**663.50**	**641.24**
LIABILITIES				
Non Current Liabilities				
(a) Provisions	15	36.75	31.49	26.87
Total Non-Current Liabilities (IV)		**36.75**	**31.49**	**26.87**
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payable	16			
- Due to Micro, Small and Medium Enterprises		-	-	-
- Due to Others		5.83	-	-
(ii) Other Financial Liabilities	17	26.13	41.03	5.85
(b) Other Current Liabilities	18	100.09	4.87	3.99
(c) Provisions	15	1.81	1.98	1.65
Total Current Liabilities (V)		**133.86**	**47.88**	**11.49**
TOTAL EQUITY AND LIABILITIES (III+IV+V)		**869.90**	**742.87**	**679.60**

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Pareek
Executive Director
Din No 01894662

Sd/-
S. Chatterjee
Chairman
Din No 00048249

Sd/-
Manoj Agarwal
Company Secretary

Place : Kolkata
Date: 19.04.2019

SREI CAPITAL MARKETS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakh)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue From Operations	19	890.24	485.20
II.	Other Income	20	70.94	39.38
III.	**Total income (I+II)**		**961.18**	**524.58**
IV.	**Expenses:**			
	Employee Benefits Expense	21	490.54	210.48
	Depreciation and Amortisation Expense	22	0.24	0.16
	Other Expenses	23	420.04	276.09
	Total Expenses (IV)		**910.82**	**486.73**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**50.36**	**37.85**
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		**50.36**	**37.85**
VIII.	**Tax Expense**	24		
	Current Tax		10.42	4.80
	Deferred Tax		3.96	9.75
	Total Tax Expense		**14.38**	**14.55**
IX.	**Profit For The Year (VII-VIII)**		**35.98**	**23.30**
X.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss:			
	- Remeasurement of the defined benefit plans		(0.26)	(1.40)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		0.07	0.36
	Total Other Comprehensive Income		**(0.19)**	**(1.04)**
XI.	**Total Comprehensive Income For The Year (IX + X)**		**35.79**	**22.26**
XII.	**Earnings Per Equity Share (of Rs. 10/- each)**	32		
	Basic (Rs.)		0.71	0.46
	Diluted (Rs.)		0.71	0.46

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Pareek
Executive Director
Din No 01894662

Sd/-
S. Chatterjee
Chairman
Din No 00048249

Sd/-
Manoj Agarwal
Company Secretary

Place : Kolkata
Date: 19.04.2019

SREI CAPITAL MARKETS LIMITED

Cash Flow Statement for the year ended 31 March, 2019

	Particulars	Year Ended 31 March, 2019 (Rs. in Lakh)	Year Ended 31 March 2018 (Rs. in Lakh)
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	50.36	37.85
	Adjustments for:		
	Depreciation	0.24	0.16
	Bad debts written off	-	51.81
	Interest received on Fixed Deposit	(16.82)	(9.44)
	Interest Income on Inter Corporate Deposits	(18.59)	-
	Income on Commercial paper	-	(7.73)
	Net gain on fair valuation of investments	(5.38)	(2.51)
	Dividend Received on Long Term Investments	(0.08)	(0.11)
	Liability no longer required written back	(18.79)	-
	Interest on Income Tax Refund	(11.28)	(19.59)
	Operating Profit before Working Capital Changes	**(20.34)**	**50.44**
	Increase / (Decrease) in Trade Receivables, Loans, Advances and Other Assets	(50.43)	110.77
	Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	109.77	39.60
	Cash generated from Operating activities	**39.00**	**200.81**
	Tax Paid (Net of refund and interest)	62.16	46.46
	Net Cash from/(used in) Operating Activities	**101.16**	**247.27**
B.	**Cash Flow from Investing Activities**		
	Sale/(Purchase) of Fixed Assets	(0.50)	(0.43)
	Inter Corporate Deposit given	(505.00)	-
	(Increase)/Decrease in Fixed Deposit	295.00	(295.00)
	Investment in / Sale of Commercial Papers (net)	-	197.82
	Income received on Commercial Paper	-	8.02
	Interest received on Inter Corporate Deposits/Bank Fixed Deposits	36.51	8.08
	Dividend received on Long Term Investments	0.08	0.11
	Net Cash from Investing activities	**(173.91)**	**(81.40)**
C.	**Cash Flow from Financing Activities**		
	Net Cash Flow from Financing Activities	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(72.74)	165.87
	Opening Cash and Cash Equivalents	202.77	36.90
	Closing Cash and Cash Equivalents	**130.03**	**202.77**

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 "Cash Flow Statements".

2 Cash and Cash equivalent at the end of the year consist of:

(Rs. in Lakh)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a) Cash on hand	0.05	0.09
b) Balance with Banks in Current Account	29.98	7.68
c) Fixed deposit with original maturity period upto 3 months	100.00	195.00
	130.03	**202.77**

3 Cash and cash equivalents do not include any amount which is not available to the Companies for its use.

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

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

On behalf of the Board of Directors

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

Sd/-
Ashok Kumar Pareek
Executive Director
Din No 01894662

Sd/-
S. Chatterjee
Chairman
Din No 00048249

Sd/-
Manoj Agarwal
Company Secretary

Place : Kolkata
Date: 19.04.2019

SREI CAPITAL MARKETS LIMITED

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

(Rs. in Lakh)

Particulars	As at April 1, 2017	Changes during the year 2017-18	As at March 31, 2018	Changes during the year 2018-19	As at March 31, 2019
Equity Share Capital	505.00	-	505.00	-	505.00

B. Other equity

(Rs. in Lakh)

	Reserves and Surplus		
	Other Comprehensive Income	Retained Earnings (Surplus in statement of P&L)	Total
Balance as at April 01, 2017	-	**136.24**	**136.24**
Profit for the year ended March 31, 2018	-	23.30	23.30
Remeasurement of the defined benefit plans	-	(1.04)	(1.04)
Balance as at March 31, 2018	-	**158.50**	**158.50**
Profit for the year ended March 31 2019	-	35.98	35.98
Remeasurement of the defined benefit plans		(0.19)	(0.19)
Balance as at March 31, 2019	-	**194.29**	**194.29**

Retained Earnings:

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

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Pareek
Executive Director
Din No 01894662

Sd/-
S. Chatterjee
Chairman
Din No 00048249

Sd/-
Manoj Agarwal
Company Secretary

Place : Kolkata
Date: 19.04.2019

SREI CAPITAL MARKETS LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Capital Markets Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

The Company is engaged in Merchant Banking Services. All the activity of the company revolves around the main business.

(B) Recent Pronouncement

The Company has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective
<u>Ind AS 116-</u>

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

<u>Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12</u>

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

<u>Prepayment Features with Negative Compensation, Amendments to Ind AS 109</u>

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

.Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(C) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 25.

(D) First Time Policy Choices

i) De-recognition of financial assets and financial liabilities

The Company has applied the De-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2017 (the transition date).

ii) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

iii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iv) Equity investments at FVTOCI

The Company has designated investment in equity shares at FVTOCI on the basis of facts and circumstances that existed at the transition date.

(E) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.17 Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Investments in subsidiaries, associates and joint ventures

Investment in associates and joint ventures are accounted for at cost. Cost is arrived at on weighted average method for the purpose of valuation of investments.

Equity Investment in subsidiaries are carried at cost less accumulated impairment, if any.
When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.4. Revenue

Income from Merchant Banking Services is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable. Management and placement fees, underwriting commission and financial advisory fees are accounted based on stage of completion of assignments. Brokerage on fixed income securities placement is accounted on completion of the transaction.

1.5. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6. Foreign Currency Transactions

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

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:

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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:

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

1.7. Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.8. Employee Benefits

Defined Contribution Plans
Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:
Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.9. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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

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

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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

Leasehold assets including improvements are amortised over the period of the lease. Freehold Land is not depreciated.

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

1.10. Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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

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

1.11. Impairment of Assets
Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.12. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Recognition of Financial Instr[illegible]ments:
Financial assets and financial li[illegible]ties are recognised when entity becomes a party to the contractual provisions of the inst[illegible]nts. Loans & advances and all other regular way purchases or sales of financial assets are re[illegible]ised and derecognised on the trade date basis.

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

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

1.13. Taxes on Income
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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year
Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14. Claims
Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

SREI CAPITAL MARKETS LIMITED

Notes to the financial statement for the year ended March 31, 2019

2 Property, Plant and Equipment

(Rs. in Lakh)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Furniture & Fittings	0.04	-	-	0.04	0.04	-	-	0.04	-
Office Equipment	0.01	-	-	0.01	0.01	-	-	0.01	-
Comouter	0.43	0.50	-	0.93	0.11	0.24	-	0.35	0.58
Total Tangible assets	0.48	0.50	-	0.98	0.16	0.24	-	0.40	0.58

(Rs. in Lakh)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Furniture & Fittings	0.04	-	-	0.04	-	0.04	-	0.04	-
Office Equipment	0.01	-	-	0.01	-	0.01	-	0.01	-
Computer	-	0.43	-	0.43	-	0.11	-	0.11	0.32
Total Tangible assets	0.05	0.43	-	0.48	-	0.16	-	0.16	0.32

3 Investments

a) Non-current

PARTICULARS	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value Rs.	Nos.	Rs. In Lakh	Face Value Rs.	Nos.	Rs. In Lakh	Face Value Rs.	Nos.	Rs. In Lakh
(Measured at FVTPL)									
In Quoted Equity Instruments (Fully paid up)									
Andhra Bank	10	100	0.03	10	100	0.04	10	100	0.06
Bank of Baroda	2	500	0.64	2	500	0.71	2	500	0.86
Bank of India	10	100	0.10	10	100	0.10	10	100	0.14
Corporation Bank	2	500	0.14	2	500	0.15	2	500	0.26
HDFC Bank Ltd.	2	500	11.59	2	500	9.46	2	500	7.21
ICICI Bank Ltd. (including 50 bonus shares)	2	550	2.20	2	550	1.53	2	500	1.38
IDBI Bank Ltd.	10	120	0.06	10	120	0.09	10	120	0.09
Oriental Bank of Commerce	10	100	0.12	10	100	0.09	10	100	0.14
State Bank of India	1	1340	4.30	1	1340	3.35	1	1340	3.93
Kotak Mahindra Bank Ltd. (including 300 bonus shares)	5	600	8.01	5	600	6.29	5	600	5.23
Total			**27.19**			**21.81**			**19.30**
Market value of Quoted Equity Instruments			**27.19**			**21.81**			**19.30**

b) Current

(Rs. In Lakh)

Particulars	As at March 31 , 2019	As at March 31 , 2018	As at April 01, 2017
(Measured at amortised cost) **In Commercial Papers of Holding Company (unquoted)** Srei Infrastructure Finance Limited (41 units of Commercial Paper with Face Value of Rs. 5 Lakh each)	-	-	197.82
Total	-	-	**197.82**

4 Deferred Tax Assets (Net)

(Rs. in Lakh)

Particulars	Balance as at 01.04.2018	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in OCI	As at March 31, 2019
Deferred Tax Assets				
Carry forward losses	14.21	4.45	-	9.76
Unabsorbed depreciation	1.55	(0.00)	-	1.55
Property, Plant and Equipment	3.14	0.34	-	2.80
Provision for Gratuity	6.11	(0.72)	(0.07)	6.90
MAT Credit Entitlement	15.33	(0.83)	-	16.16
Allowance for credit loss	0.78	-	-	0.78
Leave encashment	-	(0.37)	-	0.37
Total	41.12	2.87	(0.07)	38.32
Deferred Tax Liabilities				
Fair value gain on investment	3.52	(1.09)		4.61
Total	3.52	(1.09)	-	4.61
Net deferred tax assets/(liabilities)	37.60	3.96	(0.07)	33.71

(Rs. in Lakh)

Particulars	Balance as at 01.04.2017	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in OCI	As at March 31, 2018
Deferred Tax Assets				
Carry forward losses	28.10	13.89	-	14.21
Unabsorbed depreciation	1.84	0.29	-	1.55
Property, Plant and Equipment	4.19	1.05	-	3.14
Provision for Gratuity	6.05	0.30	(0.36)	6.11
MAT Credit Entitlement	8.88	(6.45)		15.33
Allowance for credit loss	0.93	0.15	-	0.78
Total	49.99	9.23	(0.36)	41.12
Deferred Tax Liabilities				
Fair value gain on investment	3.00	(0.52)		3.52
Total	3.00	(0.52)	-	3.52
Net deferred tax assets/(liabilities)	46.99	9.75	(0.36)	37.60

5 Income Tax Asset (Net)

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & Tax Deducted At Source	125.55	178.14	207.11
Less: Provision for taxation	(50.69)	(41.98)	(39.28)
Total	74.86	136.16	167.83

6 Other Non Current Assets

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Advances other than capital advances)			
Balances with Statutory Authorities	7.63	7.63	7.63
Total	**7.63**	**7.63**	**7.63**

7 Trade Receivables:

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Unsecured, considered good	84.31	5.40	200.05
Less: Allowance for bad and doubtful debts	-	-	-
	84.31	**5.40**	**200.05**
(b) Significant increase in credit risk	-	-	-
Less: Allowance for bad and doubtful debts	-	-	-
	-	-	-
(c) Credit impaired	-	-	-
Less: Allowance for bad and doubtful debts	-	-	-
	-	-	-
Total	**84.31**	**5.40**	**200.05**

8 **Cash and Cash Equivalents:**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.05	0.09	0.05
Balances with Banks in current account	29.98	7.68	7.84
Fixed Deposit with original maturity upto than 3 months	100.00	195.00	29.00
Total	**130.03**	**202.77**	**36.89**

9 **Other Bank Balance**

(Rs. in Lakh)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Fixed Deposit with balance maturity upto 12 months	-	295.00	-
Total	-	**295.00**	-

10 **Loans - Current**

(Rs. in Lakh)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
(Measured at amortised cost)			
Unsecured considered good Inter corporate deposits given to Holding Company	505.00	-	-
Total	**505.00**	-	-

11 **Other Financial Assets - Current**

(Rs. in Lakh)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Security Deposits	3.00	3.00	3.00
Less : Allowance for expected credit loss	(3.00)	(3.00)	(3.00)
Interest accrued but not due	0.27	1.37	-
Income accrued but not due on Commercial Paper	-	-	0.29
Total	**0.27**	**1.37**	**0.29**

12 **Other Current Assets**

(Rs. in Lakh)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Advance to vendor	0.76	0.75	-
Balances with Statutory Authorities	-	25.58	2.66
Prepaid Expenses	5.56	8.48	0.09
Total	6.32	34.81	2.75

13 Equity Share Capital

	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	Number of Shares	(Rs. in Lakh)	Number of Shares	(Rs. in Lakh)	Number of Shares	(Rs. in Lakh)
Authorised Share Capital						
Equity Shares of Rs. 10/- each	5,250,000	525.00	5,250,000	525.00	5,250,000	525.00
Issued, Subscribed and Paid up Capital						
Equity Shares of Rs. 10/- each fully paid up	5,050,000	505.00	5,050,000	505.00	5,050,000	505.00
		505.00		**505.00**		**505.00**

13.1 Reconciliation of equity shares

	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	Number of Shares	(Rs. in Lakh)	Number of Shares	(Rs. in Lakh)	Number of Shares	(Rs. in Lakh)
Shares outstanding at the beginning	5,050,000	505.00	5,050,000	505.00	5,050,000	505.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	5,050,000	505.00	5,050,000	505.00	5,050,000	505.00

Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

13.2 Details of shares held by each shareholder holding more than 5%

	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Fully paid equity shares						
Srei Infrastructure Finance Limited *	5,050,000	100%	5,050,000	100%	5,050,000	100%

* Includes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

13.3 Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates

	As at 31st March 2019		As at 31st March 2018		As at 1st Ap[illegible] 2017	
	No. of Shares	% holding	No. of Shares	% holding	N[illegible] Sha[illegible]	% holding
Srei Infrastructure Finance Limited	5,050,000	100%	5,050,000	100%	5,050,[illegible]	100%

13.4 The Company during the preceding 5 years:

i Has not allotted shares pursuant to contracts without payment received in cash.
ii Has not issued shares by the way of bonus shares.
iii Has not bought back any shares.

14 Other Equity

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Retained Earnings			
Balance as per last accounts	158.50	136.24	136.24
Net Profit/(Loss) for the Year	35.98	23.30	-
Add: Remeasurement of the defined benefit plans	(0.19)	(1.04)	-
Total (a+b)	194.29	158.50	136.24

15 **Provisions**

A) Non current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee Benefits			
Gratuity	25.89	22.98	19.28
Provision for Compensated absence	10.86	8.51	7.59
Total	**36.75**	**31.49**	**26.87**

B) Current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee Benefits			
Gratuity	0.62	0.52	0.28
Provision for Compensated absence	1.19	1.46	1.37
Total	**1.81**	**1.98**	**1.65**

16 **Trade Payables**

(A) Due to Micro, Small and Medium Enterprises

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

(B) Due to Others

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For Services	5.83	-	-
Total	**5.83**	-	-

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

17 **Other Financial Liabilities - Current**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liability for expenses	18.24	36.77	0.50
Salaries and other payroll dues	7.89	4.26	5.35
Total	**26.13**	**41.03**	**5.85**

18 **Other Current Liabilities**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Liabilities	100.09	4.87	3.99
Total	100.09	4.87	3.99

19 **Revenue From Operations**

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Sale of Services:		
-Lead Manager's Fee	843.14	300.00
-Brokerage	-	180.20
-Consultancy Fee	47.10	5.00
Total	**890.24**	**485.20**

20 **Other Income**

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Interest Income on :		
- Fixed Deposits - carried at amortised cost	16.82	9.44
- Inter Corporate Deposits - carried at amortised cost	18.59	-
- Income Tax refund	11.28	19.59
Income on Commercial Paper - measured at amortised cost	-	7.73
Net gain on fair valuation of investments - measured at FVTPL	5.38	2.51
Dividend Received on Long Term Investment (other than trade)	0.08	0.11
Liabilities No Longer Required Now Written Back	18.79	-
Total	**70.94**	**39.38**

21 **Employee Benefits Expense**

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Salaries, wages, bonus and allowances	481.56	205.25
Contribution to Provident & Other funds	8.10	4.66
Staff welfare expenses	0.88	0.57
Total	**490.54**	**210.48**

22 **Depreciation and Amortisation Expense**

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Depreciation on property, plant and equipment(Refer Note 2)	0.24	0.16
Total	**0.24**	**0.16**

KOLKATA

23 Other Expenses

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Legal & Professional Fees	397.42	86.03
Travelling and Conveyance	14.15	10.01
Rates & Taxes	3.23	0.71
Filing Fees	0.18	0.03
Communication Expenses	0.29	0.21
Bad Debts	-	51.81
Brokerage Others	-	121.89
Payment to Auditors :		
-Fees for Statutory Audit	0.30	0.30
-For Tax Audit Fees	0.13	0.13
-Other Services (Certification etc.)	0.08	0.08
Director's Sitting Fees	4.00	4.50
Miscellaneous Expenses	0.26	0.39
Total	**420.04**	**276.09**

24 Income Tax Expenses

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Current Tax	10.42	6.45
Tax for earlier year	-	(1.65)
Total Current Tax	**10.42**	**4.80**
Deferred tax	3.89	9.39
Total Deferred Tax	**3.89**	**9.39**
Total	**14.31**	**14.19**

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

(Rs. in Lakh)

Particulars	Year ended Mar 31, 2019	Year Ended March 31, 2018
Profit before tax	50.36	37.85
Statutory Income Tax Rate (under MAT)	19.24%	19.06%
Expected income tax expense at statutory income tax rate	9.69	7.21
(i) Tax on Ind AS transition adjustment	0.73	(0.75)
(ii) Income exempt from tax/Items not deductible	-	(0.02)
Total Current Tax Expense recognised in profit and loss	**10.42**	**6.45**

25 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

(ii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(a) Reconciliation of Total Equity as previously reported under Previous GAAP to IND AS:

(Rs. in Lakh)

Particulars	Note	As at March 31, 2018	As at April 1, 2017
Total Equity as reported under previous GAAP		**649.23**	**628.81**
Adjustments:			
Net gain on fair valuation of investments	(a)	20.01	17.50
Allowance for expected credit loss	(b)	(3.00)	(3.00)
Deferred tax on above	(d)	(2.74)	(2.07)
Total Equity as reported under Ind AS		**663.50**	**641.24**

(b) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018:

(Rs. in Lakh)

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		**20.42**
Adjustments:		
Net gain on fair valuation of investments	(a)	2.51
Re-measurement of defined benefit obligations	(c)	1.40
Deferred tax on above	(d)	(1.03)
		2.88
Profit / (Loss) After Tax as reported under Ind AS		**23.30**
Other Comprehensive Income	(c)	(1.40)
Deferred tax on above	(d)	0.36
Total Comprehensive Income as reported under Ind AS		22.26

Footnotes to the reconciliation of total equity as at April 1, 2017 and 31st March 2018 and Total Comprehensive Income for the year ended 31st March 2018.

(a) Under previous GAAP, Investments in equity shares of listed companies were carried at cost. Under Ind AS, such investments are measured at fair value through profit and loss. Net gain on fair valuation of investment has been recognised in retained earning on transition date and subsequent gain has been recognised in statement of profit and loss.

(b) Under Previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the company. This judgement was based on consideration of information available up to the date on which the financial statements were approved.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortized cost. Expected loss on individually significant receivables is assessed when they are past due and based on company's historical counterparty default rates.

(c) Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of Remeasurement of the net defined benefit liability/asset which is recognised in OCI.

(d) Under Previous GAAP, deferred tax was accounted using the Income statement approach on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of assets or liabilities in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

26 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use to fund working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations and money raised through issue of equity share to the shareholders.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

27 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 1 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
(i) Trade Receivables	84.31	84.31	5.40	5.40	200.05	200.05
(ii) Cash and Cash Equivalents	130.03	130.03	202.77	202.77	36.89	36.89
(iii) Other Bank Balance	-	-	295.00	295.00	-	-
(iv) Loans	505.00	505.00	-	-	-	-
(v) Investments	-	-	-	-	197.82	197.82
(v) Other Financial Assets	0.27	0.27	1.37	1.37	0.29	0.29
Sub-total	719.61	719.61	504.54	504.54	435.05	435.05
b) Measured at Fair value through Profit or Loss						
i) Investments	27.19	27.19	21.81	21.81	19.30	19.30
Sub-total	27.19	27.19	21.81	21.81	19.30	19.30
Total financial assets	**746.80**	**746.80**	**526.35**	**526.35**	**454.35**	**454.35**
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	5.83	5.83	-	-	-	-
ii) Other financial liabilities	26.13	26.13	41.03	41.03	5.85	5.85
Total financial liabilities	**31.96**	**31.96**	**41.03**	**41.03**	**5.85**	**5.85**

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.

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 include cash, cash equivalents, Other Bank Balance, Loans, Trade and other receivables.

Trade and Other Payables
Trade payables that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments includes Trade & Other payables.

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 instrum are observable, the instrument is included in level 2.

27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

B) Fair value hierarchy (Contd..)

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, contingent consideration and investment in Alternate Investment Funds included in level 3.

	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	27.19	-	-	27.19
	27.19	-	-	**27.19**

(Rs. in lakh)

	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	21.81	-	-	21.81
	21.81	-	-	**21.81**

(Rs. in lakh)

	As at 1.04.2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	19.30	-	-	19.30
	19.30	-	-	**19.30**

C) **Financial risk management objectives**

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company is not exposed to market risk as it borrows funds on fixed rate of interest and it do not indulge in transaction involving foreign currencies. The current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

The Company is not exposed to Interest risk in respect of ICD given, since the ICD is for short term and carries fixed rate of return.

i) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events. The objectives of the Company's liquidity risk management processes are to lessen the impact of liquidity risk by minimizing mismatch in timing of cash flow.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(Rs. In Lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial assets						
a) Measured at amortised cost						
(i) Trade Receivables	84.31	-	5.40	-	200.05	-
(ii) Cash and Cash Equivalents	130.03	-	202.77	-	36.89	-
(iii) Other Bank Balance	-	-	295.00	-	-	-
(iv) Loans	505.00	-	-	-	-	-
(v) Other Financial Assets	0.27	-	1.37	-	0.29	-
Total financial assets	**719.61**	-	**504.54**	-	**237.23**	-
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	5.83	-	-	-	-	-
ii) Other financial liabilities	26.13	-	41.03	-	5.85	-
Total financial liabilities	**31.96**	-	**41.03**	-	**5.85**	-

ii) Credit risk

Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations. The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

28 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

The Company has recognised, in Statement of Profit and Loss for the year ended 31.03.2019 an amount of Rs.5.48 Lakh (Previous year Rs.4.42 Lakh) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans. The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

All employees who have rendered service for specified period as per the Payment of Gratuity Act, 1972 are entitled for gratuity. The gratuity amount is determined based on the last drawn salary and period of service with the company.

The defined benefit obligations are unfunded and thus the disclosure requirements of plan assets have not been made.

Risk Management
The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31.03.2019.

28.1 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs. In Lakh)

Description	Gratuity Fund			Leave		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
1. Change in the defined benefit obligation						
Present Value of Obligation at the Beginning of the Year	**23.50**	19.56	16.94	**4.91**	5.00	6.38
Current Service Cost	**0.97**	1.13	1.43	**1.47**	-	0.72
Interest Cost	**1.79**	1.40	1.32	**0.26**	0.23	0.36
Past Service Cost - Plan Amendments	-	-	-	-	-	-
Acquisitions Cost/credit	-	-	-		-	-
Actuarial (gain)/loss	**0.26**	1.40	(0.12)	**2.67**	3.18	1.11
Benefits paid	-	-	-	**(2.99)**	(3.50)	(3.57)
Present Value of Obligation at the end of the Year	**26.51**	**23.50**	**19.56**	**6.33**	**4.91**	**5.00**
2. Amount recognised in Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	-	-	-	-	-	
Present Value of Obligation at the end of the Year	26.51	23.50	19.56	6.33	4.91	5.00
(Asset)/Liabilities as per the actuarial valuation	26.51	23.50	19.56	6.33	4.91	5.00
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	**26.51**	**23.50**	**19.56**	**6.33**	**4.91**	**5.00**

(Rs. In Lakh)

3. Expenses recognised in the statement of profit and loss consists of:	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 31.03.2019	Year ended 31.03.2018
Employee benefits expenses:				
Current Service cost	0.97	1.13	1.47	-
Net Interest cost	1.79	1.40	0.26	0.23
Total [A]	**2.75**	**2.53**	1.73	**0.23**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	**0.04**	2.37	**2.62**	3.35
Actuarial (Gain) / Loss from financial assumptions	**0.22**	(0.97)	**0.06**	(0.17)
Return on plan assets (excluding amounts included in net interest cost)	-	-	-	-
Total [B]	**0.26**	**1.40**	**2.67**	**3.18**
Expense recognised during the year [A+B]	**3.01**	**3.93**	**4.40**	**3.41**

The expense for the Defined Benefits (referred to in para 21 above) are included in the line item under 'Contribution to Provident and other Funds' .

SREI CAPITAL MARKETS LIMITED
Notes to the financial statement for the year ended March 31, 2019

28.2 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs in lakh)

Description	Gratuity Fund % Invested			Leave % Invested		
7. Assumptions	31-3-2019	31-3-2018	01-04-17	31-3-2019	31-3-2018	01-04-17
Discount rate per annum	**7.50%**	7.60%	7.15%	**7.50%**	7.60%	7.15%
Salary escalation rate per annum	**10.00%**	10.00%	10.00%	**10.00%**	10.00%	10.00%
Best Estimate of Employers' Expected Contributions for	NA	NA	NA	NA	NA	NA
Method used	Projected Unit Credit Method			Projected Unit Credit Method		

28.3 The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons.

28.4 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

	Year ended 31.03.2019				Year ended 31.03.2018				Year ended 01.04.2017			
	Gratuity Fund		Leave		Gratuity Fund		Leave		Gratuity Fund		Leave	
	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)
Discount Rate + 100 basis points	-7.9%	**(2.08)**	-8.5%	(0.54)	-8%	(1.98)	-7%	(0.35)	-10%	(2.02)	-7%	(0.36)
Discount Rate - 100 basis points	8.7%	**2.32**	9.6%	0.61	9%	2.22	8%	0.39	12%	2.28	8%	0.41
Salary Increase Rate + 1%	1.6%	**0.41**	9.3%	0.59	3%	0.81	8%	0.39	6%	1.20	8%	0.40
Salary Increase Rate - 1%	-3.4%	**(0.89)**	-8.4%	(0.53)	-5%	(1.07)	-7%	(0.35)	-6%	(1.10)	-7%	0.36

28.5 Maturity Analysis Of The Benefit Payments

(Rs in lakh)

	Year ended 31.03.2019		Year ended 31.03.2018		Year ended 01.04.2017	
	Gratuity Fund	Leave	Gratuity Fund	Leave	Gratuity Fund	Leave
Year 1	**0.64**	**0.14**	0.54	0.61	0.29	0.76
Year 2	**0.87**	**0.09**	0.64	0.37	0.51	0.45
Year 3	**1.02**	**0.10**	0.87	0.26	0.60	0.28
Year 4	**1.09**	**0.11**	0.99	0.19	0.82	0.20
Year 5	**1.38**	**0.15**	1.06	0.16	0.96	0.16
Next 5 Years	**27.28**	**4.20**	9.23	1.15	7.04	0.86

28.6 Sick Leave Benefits

(Rs in lakh)

S.No	Particulars	Sick Leave Benefit (Unfunded)	
		As at 31 March, 2019	As at 31 March, 2018
	Assets/ Liabilities		
1	Projected Benefit Obligation	5.72	5.06
2	Fair Value of Plan Assets	-	-
3	Current Asset / (Liability)	(1.05)	(0.87)
4	Non Current Asset / (Liability)	(4.67)	(4.19)
	Actuarial Assumptions		
1	Discount Rate	7.50%	7.60%
2	Expected return on plan assets	NA	NA
3	Salary Escalation	10.00%	10.00%

SREI CAPITAL MARKETS LIMITED

NOTES TO FINANCIAL STATEMENTS

29 Related Party Disclosures

a) Related Parties

SI.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
2	Srei Factors Private Limited (w.e.f. 02.01.2019)	India
C	**Holding Company**	
3	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries:**	
4	Srei Mutual Fund Asset Management Private Limited	India
5	Srei Alternative Investment Managers Limited	India
6	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
7	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
8	Srei Mutual Fund Trust Private Limited	India
9	Srei Insurance Broking Private Limited	India
10	Controlla Electrotech Private Limited	India
11	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
12	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
13	Quippo Oil & Gas Infrastructure Limited (ceased to be a fellow subsidiary w.e.f. 31.03.2019)	India
14	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to a fellow sub-subsidiary w.e.f. 31.03.2019)	India
15	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
16	Srei Equipment Finance Limited	India
17	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
E	**Fellow Associates**	
18	Sahaj e-Village Limited	India
19	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
20	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
21	AO International Infrastructure Services, Russia (Formerly AO Srei Leasing Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
22	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
23	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
F	**Others**	
24	Srei Mutual Fund Trust	India
25	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
G	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
26	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
H	**Key Management Personnel (KMP)/Directors:**	**Designation**
27	Mr. Shyamalendu Chatterjee	Non- Executive Director
28	Mr. Vinod Kumar Anand Juneja	Non- Executive Director
29	Mr. Debasish Som (w.e.f. 01.09.2017)	Non- Executive Director
30	Mr. Ashok Kumar Pareek	Excecutive Director
31	Mr. Ratiranjan Mandal (upto 08.05.2018)	Non- Executive Director
32	Mr. Manoj Agarwal	Company Secretary
33	Mr. Venkata Sreeram Kumar Gumparti (CEO from 10.09.2018 to 31.01.2019)	Chief Executive Officer
I	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
34	Mr. Hemant Kanoria	Chairman - Holding Company
35	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
36	Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director - Holding Company
37	Mr. S.Rajagopal	Independent Director - Holding Company
38	Mr. S.Chatterjee	Independent Director - Holding Company
39	Dr. Punita Kumar Sinha	Independent Director - Holding Company
40	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
41	Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category – Independent) - Holding Company
42	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY – Non Executive Non Independent)- Holding Company
43	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
44	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
45	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
46	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
47	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
48	Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer - Holding Company
49	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
50	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
51	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Internal Auditor - Holding Company
52	Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director - Holding Company
53	Mr. T.C.A. Ranganathan (Upto 07.12.2017)	Independent Director - Holding Company

29 Related Party Transaction

b) Summary of Transactions with Related Parties

Transactions entered with related parties during the year ended March 31, 2019 and March 31, 2018 are as under:

(Rs. in Lakh)

Name of related party	Nature of Transactions & Outstanding Balances	Year ended March 31, 2019	Year ended March 31, 2018
Holding Company			
Srei Infrastructure Finance Limited	**Transactions:**		
	ICD Given	550.00	-
	ICD refunded	(45.00)	-
	Interest Income on ICD	18.59	-
	Investment in Commercial Paper	-	63.99
	Proceeds received on redemption of Commercial Paper (Principal)	-	261.81
	Proceeds received on redemption of Commercial Paper (Income on Commercial Paper)	-	8.02
	Income from Commercial paper	-	7.73
Key Management Personnel			
Shyamalendu Chatterjee	Director's Sitting Fee	1.25	1.25
Debasish Som	Director's Sitting Fee	1.25	0.75
Rati Ranjan Mandal	Director's Sitting Fee	0.25	1.25
Vinod Kumar Anand Juneja	Director's Sitting Fee	1.25	1.25
Debasish Som	Consultancy Fees	64.80	40.59
Ashok Kumar Pareek	Salary & Allowances	80.01	106.45
Venkata Sreeram Kumar Gumparti	Salary & Allowances	14.33	-
Manoj Agarwal	Salary & Allowances	39.48	28.80

Balance due with related parties as on March 31, 2019, March 31, 2018 and April 1, 2017 are as under:

(Rs. in Lakh)

Name of related party	Outstanding Balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Holding Company				
Srei Infrastructure Finance Limited	**Outstanding Balances:**			
	Balance receivable- current investment in commercial paper	-	-	197.82
	Balance receivable- income accrued on commercial paper	-	-	0.29
	ICD Receivable	505.00	-	-
	Interest Receivable on ICD (net of TDS)	0.25	-	-
Fellow subsidiary				
Srei Alternative Investment Managers Limited	**Outstanding Balances:**			
	Balance receivable- Consultancy Fee (incl. service tax)	-	-	200.00

c) Compensation to Key Managerial Personnel

(Rs. in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-term benefit	131.05	131.91
Other long-term employee benefit	4.60	4.26
Post-employment benefit	2.65	1.56
Consultancy Fee	64.80	40.59
Director sitting fee	4.00	4.50

30 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Merchant Banking services.

31 Contingent Liability

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Claims against the company not acknowledged as debt -Service Tax (F.Y. 2007-08)	76.32	76.32	76.32
Total	**76.32**	**76.32**	**76.32**

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble court has dismissed the petition vide order dated 01.09.2017. The Company has filed Appeals before the Division Bench of Hon'ble Calcutta High Court. The Income Tax liability is yet to be determined by the Income Tax Department. In view of this, the Company has not provided for any liability towards FBT till 31 March 2009. However, consequent upon abolition of FBT from accounting year 2009-10, no liability arises for the current year.

32 Earnings per Share

Basic and Diluted Earnings per Share

S.No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Net Profit/ (Loss) after tax attributable to Equity Shareholders (Rs. in Lakh)	35.98	23.30
2	Weighted average number of Equity Shares Basic (Nos.)	5,050,000	5,050,000
3	Weighted average number of Equity Shares Diluted (Nos.)	5,050,000	5,050,000
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	0.71	0.46
6	Diluted Earnings per share (Rs)	0.71	0.46

33 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current reporting year.

As per our report of even date annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

On behalf of the Board of Directors

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

Sd/-
Ashok Kumar Pareek
Executive Director
Din No 01894662

Sd/-
S. Chatterjee
Chairman
Din No 00048249

Sd/-
Manoj Agarwal
Company Secretary

Place : Kolkata
Date: 19.04.2019

SREI

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report on the Business and Operations of the Company together with the Audited Annual Accounts for the Financial Year ended March 31, 2019.

FINANCIAL RESULTS AND OPERATIONS

(Amount in Lakhs)

Particulars	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Total Income	505.49	1054.52
Total Expenditure	348.13	911.14
Profit Before Depreciation	157.36	143.38
Depreciation	0.02	0.04
Profit Before Bad Debts / Provision and Tax	157.34	143.34
Bad Debts / Allowance for doubtful debts	110.26	12.63
Profit Before Tax	**47.08**	**130.71**
Provision for Current Tax	37.50	32.60
Deferred Tax	(23.98)	(0.78)
Income Tax in respect of earlier years	-	2.30
Profit After Tax	**33.56**	**96.59**
Balance brought forward from previous year	1164.51	1290.57
Other Comprehensive adjustment	(3.36)	(222.65)
Balance carried to Balance Sheet	1194.71	1164.51
Paid up Equity Share Capital	25.00	25.00
Amount transferred to Reserves	-	-

During the year under review, your Company earned Total Income of Rs. 505.49 Lakhs as compared to the Total Income of Rs. 1054.52 Lakhs in the last financial year and generated the profit after tax (PAT) of Rs. 33.56 Lakhs as compared to the PAT of Rs. 96.59 Lakhs in the last financial year.

BUSINESS REVIEW

During the year, your Company has successfully raised Rs. 6 Crores from the contributors of the fund and deployed Rs. 48.64 Crores by way of 11 investments from the various funds managed by your company. During the year ended March 31, 2019 distribution of Rs. 770 Crores made to contributors of India Growth Opportunities Fund. Moreover your Company was successful in closing the Scheme Prithvi Infrastructure Fund.

Your Company earns a major share of its income as management fees for managing the funds and its investments. During the year, your Company has earned a management fee of Rs. 5.03 Crores.

Adjudication Order received by Srei Multiple Asset Investment Trust & Srei Alternative Investment Managers Limited in the preceding financial year (2017-18) from SEBI has been settled and disposed of in the current financial year (2018-19) vide Settlement Order passed by SEBI in July 2018.

PORTFOLIO AND FUND STRATEGY

As of 31st March 2019, your Company has been managing the below mentioned funds with following corpus:

Fund	Amount in Rs.
Infrastructure Project Development Fund (IPDF)	74,02,00,000
Infrastructure Project Development Capital (IPDC)	56,02,75,400
Infra Construction Fund (ICF)	18,80,52,400
Make in India Fund (MIF)	11,00,00,000
Infrastructure Resurrection Fund (IRF)	43,80,00,000
Bharat Nirman Fund (BNF)	37,40,24,000
Infra Advantage Fund (IAF)	3,18,00,000
India Growth Opportunities Fund (IGOF)	66,83,70,000
Vision India Fund (VIF)	2,77,00,00,000
Total	**588,07,21,800**

Infrastructure Project Development Fund (IPDF) is an equity fund with a corpus of Rs. 74,02,00,000 focusing on investing in development of Road, Power, Port and Urban Infrastructure Projects. The fund corpus is fully invested and the Fund has at present four (4) investments.

Infrastructure Project Development Capital (IPDC) is an equity fund with a corpus of Rs. 56,02,75,400 focusing on investing in development of Road, Power, Port and Urban Infrastructure Projects. The fund corpus is fully invested and the Fund has at present five (5) investments.

Infra Construction Fund (ICF) is an equity fund with an invested corpus of Rs. 18,80,52,400 focusing on investing in development of Road, Power, Port and Urban Infrastructure Projects. The fund is fully invested and has at present three (3) investments.

Make in India Fund (MIF) is a Category I, Alternative Investment Fund – Venture Capital Fund with a corpus of Rs. 11,00,00,000 focusing on Automobiles, Automobiles Components, Chemicals, Construction, Defence, Manufacturing, Electrical Machinery, Electronic Systems, Food Processing, IT & BPM, Leather, Media and Entertainment, Mining Oil & Gas, Pharmaceutical Ports, Railways, Renewable Energy, Roads & Highways, Space, Textiles and Garments, Thermal Power, Tourism and Hospitality and Wellness. The Fund may also invest in growth-oriented opportunities in various consumer-oriented manufacturing sectors based on available opportunities, such as in auto components, FMCG and durables. The Fund is in investment mode and has at present has one (1) investment.

Infrastructure Resurrection Fund (IRF) is a Category –I Alternative Investment Fund – Infrastructure Fund, with a Corpus of Rs. 43,80,000 focusing on investing in development of

Road, Power, Port and Urban Infrastructure Projects. The fund is in investment mode and has at present has three (3) investments.

Bharat Nirman Fund (BNF) is a Category –I Alternative Investment Fund – Infrastructure Fund, with a corpus of Rs. 37,40,24,000. The fund is in investment mode. The Fund at present has twenty one (21) investments.

Infra Advantage Fund (IAF) is a Category –I Alternative Investment Fund – Infrastructure Fund, with a corpus of Rs. 3,18,00,000. The fund is in investment mode. The Fund at present has one (1) investment.

India Growth Opportunities Fund (IGOF) is a Category II, Alternative Investment Fund with a corpus of Rs. 66,83,70,000 focusing on brownfield growth opportunities. The Fund at present has one (1) investment left after the successful redemption of Rs. 770 crores made during the current financial year.

Vision India Fund (VIF) is a Category II, Alternative Investment Fund with a corpus of Rs 2,77,00,00,000 focusing on brownfield growth opportunities. The Fund is in investment mode and has at present has nine (9) investments.

OUTLOOK

India's economic scenario in financial year 2018-19 was not favorable. GDP in year 2018-19 was 7% which decreased from 7.2 % in compare to the preceding year 2017-18. Job creation in financial year 2018-19 was very low. However in the year 2018-19, India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India retained its position as the third largest startup base in the world with over 4,750 technology start-ups. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

The M&A activity in India reached record high of US$ 129.4 billion in 2018 in compare to US$ 77.6 billion. AUM of the Indian private equity (PE) and venture capital (VC) was US$28.00 billion in 2018 in compare to US$ 24.88 billion in 2017. Private Equity in India enjoyed an excellent year in 2018 and the same growth and momentum continued in year 2019 with investment value reaching the second highest level of the last decade. In 2019, Private Equity funds are expected to grow. Banking, Financial Services, Insurance, Healthcare, IT & IT driven companies are sector for interest for investment. Government of India (GOI) has shown keen focus in 2019 for improvement of Infrastructure sector. In Budget of 2019 GOI announced massive push for Infrastructure sector. Investment by PE and VC in infrastructure sector in 2018 was worth US$ 1.97 billion. Alternative Investment Funds have become an important source of capital. As of February, 2019 number of AIFs registered in India almost doubled from 268 in 2016 to 518. Most sectors have earned reasonable returns on exits over the past five years, with consumer tech, IT/enterprise tech and Banking, Financial Services and Insurance reaping the highest multiples on invested capital.

Globally also venture capital (VC) performance is significant. In US, in the first quarter of 2019, 1,026 venture capital deals were completed for an aggregate $28bn, up from $19bn in Q1 2018.

Over the next five years, investors believe that top-line growth and cost and capital efficiency will be the biggest value creators for deals investors exit.

Your Company is in advanced stage of entering into a Joint Venture with overseas entity. This shall help our company to raise India dedicated fund from overseas investors and invest in India. Further, concentrated effort is put in place to raise more overseas capital from international investor. Your Company is also creating opportunity to bid for stressed assets through Strategic Opportunity Fund (SOF) and Vision India Fund (VIF) and have been successful in acquiring two stressed assets company.

DIVIDEND

With a view to conserve the resources in the initial period, the Board of Directors of your Company does not recommend any dividend for the financial year 2018-19.

TRANSFER TO RESERVES

The Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2018-19.

SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

During the year under review, Hyderabad Information Technology Venture Enterprises Limited (HITVEL) and Cyberabad Trustee Company Private Limited (CTCPL) continued to be the Subsidiaries of your Company.

The Statement in Form AOC-1 containing the salient feature of the financial statement of your Company's subsidiaries pursuant to first proviso to Section 129(3) of the Companies Act, 2013 (Act) read with Rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report.

Furthermore, the Company does not have any Joint Ventures and Associate Company as required to be disclosed in terms of provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5 & 8(5)(iv) of the Companies (Accounts) Rules, 2014.

PUBLIC DEPOSITS

The Company has not invited or accepted deposits from the public covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. However, 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 outflow was Rs.34,69,706/- (Previous Year : Rs. 5,11,97,491/-). Your Company has not earned any foreign exchange during the year under review (Previous Year – Nil).

DIRECTOR & KEY MANAGERIAL PERSONNEL

Director

In accordance with the provisions of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Susil Kumar Pal (DIN: 00268527), Director of your Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Susil Kumar Pal has submitted Form DIR-8 with your Company as required under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board, therefore, recommends the re-appointment of Mr. Susil Kumar Pal as Director of your Company.

There are no changes in the Composition of Board of Directors of the Company have occurred during the financial year under review.

Key Managerial Personnel

The Board of Directors of your Company at its meeting held on 2nd May, 2014, are of opinion that the Company is not required to appoint a KMP in terms of provisions of Section 203 read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board Business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed/ noted in the subsequent Board meeting.

During the Financial Year 2018-19, four meetings of the Board of Directors of the Company were held on 17th April, 2018, 25th July, 2018, 15th October, 2018 and 11th January, 2019. The maximum time gap between any two consecutive meetings did not exceed 120 days.

PARTICULARS OF EMPLOYEES

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2018-19, the Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

The details of Investments made in other body corporates as on 31st March, 2019, are as follows:

Sr. No.	Name of Person/body corporate	Whether investment made/loan given/ guarantee given/security provided in connection with loan/security acquired by way of subscription, purchase or otherwise	Purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security	Amount (Rs.)	Rate of interest
1.	Hyderabad Information Technology Venture Enterprises Limited, Subsidiary company	Investment in 127,500 equity shares	N.A.	46,74,500	N.A
2	Cyberabad Trustee Company Private Limited, Subsidiary company	Investment in 25,500 equity shares	N.A.	255,000	N.A

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all related party transactions entered into by your Company during the financial year 2018-19 were in the ordinary course of business and were on an arm's length basis, hence, Form AOC-2 is not applicable to your Company.

EXTRACT OF THE ANNUAL RETURN

The extract of annual return as on the financial year ended March 31, 2019 in Form No. MGT-9 is annexed and form part of this Board Report.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

SREI

The Company is in compliant with the requirements of applicable Secretarial Standards issue by the Institute of Company Secretaries of India.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to policies and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

RISK MANAGEMNET

The Company has proper procedures in place for development and implementation of a risk management. A risk register is prepared based on identification of those events that expose the organization to uncertainty. Mitigation and follow up plans are discussed with the senior management and included in the risk register, and updated from time to time.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no significant and material orders has been passed by Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company is guided under the policy framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, in the Group as a whole. No complaint is received during the year ended 31.03.2019.

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA), vide its notification dated 16th February, 2015, notified Indian Accounting Standard (Ind AS) applicable to certain Class of Companies. Ind AS has replaced has the Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Company has adopted Ind AS with effect from 01st April, 2018 and accordingly the Financial Statements of the Company along with the comparative has been prepared in accordance with the recognition and measurement principle stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder.

The Reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Note 23 in the notes to the Financial Statement.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was Rs.25,00,000/- divided into 2,50,000 Equity Shares of Rs.10/- each. There are no changes in the Share Capital of the Company during the financial year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act) read with relevant Rules made thereunder, your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates 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 and of the profit of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

On the recommendation of the Board of Directors of the Company, the Members at their Annual General Meeting held on 25th July, 2014, appointed Messrs G. P. Agrawal & Co., Chartered Accountants, Kolkata, having Registration No. 302082E allotted by the Institute of Chartered Accountants of India (ICAI), as the statutory Auditors of the Company for a term of five years, who shall hold the office till the conclusion of the Twenty-Fifth Annual General Meeting of the

Company, in accordance with Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013.

In terms of the provisions of Section 139(1) of the Companies Act, 2013, the Board of Directors of the Company has approved the appointment of Messrs G. P. Agrawal & Co., Chartered Accountants, for a further period five years to hold the office from the conclusion of the ensuing AGM till the conclusion of Thirtieth AGM and has recommended the same for shareholders' approval at the ensuing AGM. Your Company has received confirmation from the said Auditor that their appointment is within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the excellent support and co-operation received from the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs, Financial Institutions, Srei Infrastructure Finance Limited, the holding Company and all the other Stakeholders including the Bankers, during the year under review. Your Directors also wish to place on record their deep appreciation to all the employees for their whole-hearted and dedicated services and look forward to their continued co-operation in realization of the corporate goals in the years ahead.

On behalf of the Board of Directors

	sd/-	sd/-
Place : Kolkata	**Sush Kumar Pal**	**Chandra Shekhar Samal**
Dated : 19th April, 2019	**Director**	**Director**
	(DIN: 00268527)	**(DIN: 00194376)**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	U65999WB1994PLC065722
ii)	Registration Date	31-10-1994
iii)	Name of the Company	Srei Alternative Investment Managers Limited
iv)	Category / Sub-Category of the Company	Company limited by shares
v)	Address of the Registered office and contact details	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046
vi)	Whether listed company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Plot No: 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500081, Phone: 44655000, 44655300, 23420818 Fax: 23431551

II. Principal business activities of the company

Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Investment management and management of alternative funds	66309	99.45

III. Particulars of holding, subsidiary and associate companies

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Srei Infrastructure Finance Limited Vishwakarma' 86C, Topsia Road (S) Kolkata – 700 046	L29219WB1985PLC055352	Holding	100	2(46) of Companies Act, 2013
2.	Hyderabad Information Technology Venture Enterprises Limited 5-9-58/B, Parisrama Bhavanam, Basheerbagh, Hyderabad-500004, Telangana	U72200TG1998PLC029282	Subsidiary	51	2(87) of Companies Act, 2013

3.	Cyberabad Trustee Company Private Limited 5-9-58/B, Parisrama Bhavanam, Basheerbagh, Hyderabad-500004, Telangana	U72200TG1999PTC033128	Subsidiary	51	2(87) of Companies Act, 2013

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 01.04.2018)				No. of Shares held at the end of the year (i.e. 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a) Individual/HUF	-	600	600	0.24	-	600	600	0.24	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	2,49,400	2,49,400	99.76	-	2,49,400	2,49,400	99.76	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**2,50,000**	**2,50,000**	**100.00**	-	**2,50,000**	**2,50,000**	**100.00**	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	**2,50,000**	**2,50,000**	**100**	-	**2,50,000**	**2,50,000**	**100**	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-	-

Companies									
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**2,50,000**	**2,50,000**	**100**	-	**2,50,000**	**2,50,000**	**100**	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. 01.04.2018)			Shareholding at the end of the year (i.e. 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Srei Infrastructure Finance Limited	2,49,400	99.76	-	2,49,400	99.76	-	-
2	Mr. Gajendra Kr. Singh (Beneficial Owner being	100	0.04	-	100	0.04	-	-

	Srei Infrastructure Finance Limited)							
3	Mr. Sunil Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.04	-	100	0.04	-	-
4	Mr. Hari Prasad Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.04	-	100	0.04	-	-
5	Mr. Hemant Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.04	-	100	0.04	-	-
6	Mr. Sandeep Lakhotia (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.04	-	100	0.04	-	-
7	Mr. Sanjeev Sancheti (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.04	-	100	0.04	-	-
	Total	**250,000**	**100.00**	-	**250,000**	**100.00**	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)- No Change

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,50,000	100	2,50,000	100
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2,50,000	100	2,50,000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding	-	-	-	-

	during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Sanjeev Sancheti (Being Nominee of Srei Infrastructure Finance Limited)				
	At the beginning of the year	100	0.04	100	0.04
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	100	0.04	100	0.04

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments

(Amount in Lakhs)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	 761.66 46.74	 - -	 - -	 761.66 46.74
Net Change	714.92	-	-	714.92
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	700.00	-	-	700.00
ii) Interest due but not paid (Net of TDS)	-	-	-	-
iii)Interest accrued but not due (Net of TDS)	14.92	-	-	14.92
Total (i+ii+iii)	**714.92**	-	-	**714.92**

VI. Remuneration of Directors and KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total amount (Rs.)
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total amount (Rs.)
		Mr. C. S. Samal	Mr. S. B. Tiwari	Mr. Sanjeev Sancheti	Mr. Susil Kr. Pal	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-		-
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1,00,000 - -	75,000 - -	- - -	1,00,000	2,75,000 - -
	Total (2)	1,00,000	75,000	-	1,00,000	2,75,000
	Total (B)=(1+2)	1,00,000	75,000	-	1,00,000	2.75,000
	Total Managerial Remuneration	1,00,000	75,000	-	1,00,000	2.75,000
	Overall Ceiling as per the Act	3% of the net profit of the Company				

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mr. Raghunath Mishra (Company Secretary)	CFO	Total (Rs.)

1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	15,14,561 - -	-	15,14,561 - -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	15,14,561	-	15,14,561

VII. Penalties / punishment/ compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

sd/-
Susil Kumar Pal
Director
(DIN: 00268527)

sd/-
Chandra Shekhar Samal
Director
(DIN: 00194376)

Date: 19.04.2019
Place: Kolkata

Independent Auditor's Report

To the Members of
Srei Alternative Investment Manager Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Srei Alternative Investment Manager Limited ("The Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind As, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

To the Members of
Srei Alternative Investment Manager Limited

Responsibility of Management for Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards)Rules,2015,as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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.

To the Members of
Srei Alternative Investment Manager Limited

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 41 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.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

To the Members of
Srei Alternative Investment Manager Limited

a. 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.

b. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

c. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

f. 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 financial statements – Refer Note 27 to the financial statements.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

sd/-

(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: the 19th day of April, 2019

To the Members of
Srei Alternative Investment Manager Limited

"ANNEXURE A" TO THE AUDITOR'S REPORT

Statement referred to in our report of even date to the members of Srei Alternative Investment Manager Limited on the financial statements for the year ended 31st March, 2019.

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.

c) As the Company has no immovable property, provisions of clause (i)(c) of para 3 of the said order is not applicable to the Company.

(ii) As the Company has no inventory, provisions of clause (ii) of para 3 of the said order is not applicable to the Company.

(iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (d) of paragraph 3 of the said order are not applicable to the Company.

(iv) The Company has neither given any loan, guarantee or security nor made any investment under the provisions of section 185 and 186 of the Act. Therefore, clause (iv) of paragraph 3 of the said order is not applicable to the Company.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Companies Act 2013 are not applicable to the Company.

(vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Goods and Service tax or cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

To the Members of
Srei Alternative Investment Manager Limited

Name of the Statute	Nature of dues	Period to which pertain	Amount Rs.	Forum where the dispute is pending
Income Tax Act 1961	Income tax	FY 2010-11	67,260	CIA(A)
Income Tax Act 1961	Income tax	FY 2012-13	4,316,750	CIT(A)
Income Tax Act 1961	Income tax	FY 2013-14	461,170	CIT(A)
Income Tax Act 1961	Income tax	FY 2014-15	29,322,105	CIT(A)
Income Tax Act 1961	Fringe Benefits Tax	FY 2005-06 to 2008-09	*	*

*The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta which has been dismissed vide order dated 01.09.2017. The management of the Company has filed appeal before the Divisional bench of Hon'ble High Court, Calcutta on 04.07.18. However, amount of FBT liability has not been determined by the department and hence could not be disclosed (Refer note 27 to the financial statement).

(viii) On the basis of our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution. The Company has not taken any loans or borrowing from bank or Government. The Company has not issued any debentures.

(ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The money raised by way of term loans have been applied for the purpose for which the loans were obtained.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

(xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

To the Members of
Srei Alternative Investment Manager Limited

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable accounting standards.

(xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.

(xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company

(xvi) On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

sd/-

((CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: the 19th day of April, 2019

To the Members of
Srei Alternative Investment Manager Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SREI ALTERNATIVE INVESTMENT MANAGER LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Srei Alternative Investment Manager Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 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.

To the Members of
Srei Alternative Investment Manager Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting 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.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

sd/-

(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: the 19th day of April, 2019

SREI ALTERNATIVE INVESTMENT MANAGERS LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakh)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	**ASSETS**				
	Non Current Assets				
	(a) Property, Plant and Equipment	2	-	0.02	0.06
	(b) Financial Assets				
	(i) Investments	3	1,361.61	1,264.47	1,236.45
	(ii) Other Financial Assets	4(i)	23.88	23.88	23.88
	(c) Deferred Tax Assets (Net)	5	44.98	20.80	20.22
	(d) Income Tax Assets (Net)	6	260.51	275.16	265.89
	Total Non - Current Assets		**1,690.98**	**1,584.33**	**1,546.50**
	Current Assets				
	(a) Financial Assets				
	(i) Trade Receivables	7	431.73	316.36	377.49
	(ii) Cash and Cash Equivalents	8	49.99	40.06	107.07
	(iii) Other Financial Assets	4(ii)	210.62	19.63	15.48
	(b) Other Current Assets	9	11.77	14.81	4.63
	Total Current Assets		**704.11**	**390.86**	**504.67**
	Total Assets		**2,395.09**	**1,975.19**	**2,051.17**
II.	**EQUITY AND LIABILITY**				
	EQUITY				
	(a) Equity Share Capital	10	25.00	25.00	25.00
	(b) Other Equity	11	1,194.71	1,164.51	1,290.57
	Total Equity		**1,219.71**	**1,189.51**	**1,315.57**
	LIABILITIES				
	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	12	700.00	-	-
	(b) Provisions	13(i)	26.31	21.16	19.39
	Total Non - Current Liabilities		**726.31**	**21.16**	**19.39**
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Trade Payables	14			
	- Due to Micro and Small Enterprises	14.1	-	-	-
	- Due to others	14.2	20.67	105.75	200.09
	(ii) Other Financial Liabilities	15	417.69	637.47	499.83
	(b) Other Current Liabilities	16	9.98	20.13	15.50
	(c) Provisions	13(ii)	0.73	1.17	0.79
	Total Current Liabilities		**449.07**	**764.52**	**716.21**
	TOTAL EQUITY AND LIABILITIES		**2,395.09**	**1,975.19**	**2,051.17**

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

sd/-

CA Rakesh Kumar Singh
Partner
Membership No. 066421

For and on behalf of the Board of Directors

sd/-
Director
Din No

sd/-
Director
Din No

Place : Kolkata
Date: 19.04.2019

SREI ALTERNATIVE INVESTMENT MANAGERS LTD.

sd/-
Company Secretary

SREI ALTERNATIVE INVESTMENT MANAGERS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakh)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue From Operations	17	502.59	972.31
II.	Other Income	18	2.90	82.21
III.	**Total income (I+II)**		**505.49**	**1,054.52**
IV.	**Expenses:**			
	Employee Benefits Expense	19	131.92	130.88
	Finance Cost	20	61.66	-
	Depreciation and Amortisation Expense	2	0.02	0.04
	Other Expenses	21	264.81	792.89
	Total Expenses (IV)		**458.41**	**923.81**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**47.08**	**130.71**
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		**47.08**	**130.71**
VIII.	**Tax Expense**	22		
	Current Tax		37.50	34.90
	Deferred Tax		(23.98)	(0.78)
			13.52	**34.12**
IX.	**Profit For The Year (VII-VIII)**		**33.56**	**96.59**
X.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss:			
	- Remeasurement of the defined benefit plans		(0.70)	0.72
	- Equity instruments measured through OCI		(2.86)	(223.17)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		0.20	(0.20)
	Total Other Comprehensive Income		(3.36)	(222.65)
XI.	**Total Comprehensive Income For The Year (IX + X)**		**30.20**	**(126.06)**
XII.	**Earnings Per Equity Share (of Rs. 10/- each)**	28		
	Basic (Rs.)		13.43	38.64
	Diluted (Rs.)		13.43	38.64

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

sd/-

CA Rakesh Kumar Singh
Partner
Membership No. 066421

Place : Kolkata
Date: 19.04.2019

For and on behalf of the Board of Directors

sd/-
Director
~~Din No~~

sd/-
Director
Din No

SREI ALTERNATIVE INVESTMENT MANAGERS LTD.

sd/-
Company Secretary

Srei Alternative Investment Managers Limited

Cash Flow Statement for the year ended 31 March, 2019

Particulars	Year Ended 31 March, 2019 (Rs. in Lakh)	Year Ended 31 March, 2018 (Rs. in Lakh)
A. Cash Flow from Operating Activities		
Net Profit before tax	47.08	130.71
Adjustments for:		
Depreciation	0.02	0.04
Interest expenses	61.66	-
Loss on sale of Investment	-	(22.74)
Loss on foreign currency transactions and translations	4.95	0.40
Bad debts/Advances written-off	30.41	3.76
Allowance for doubtful debts	84.65	8.87
Interest on Fixed Deposits	(1.08)	(0.97)
Interest on income tax refund	(1.73)	-
Liability no longer required written back	(0.09)	(57.32)
Operating Profit before Working Capital Changes	**225.87**	**62.75**
Increase/(Decrease) in Trade Receivables, Loans, Advances and Other Assets	(418.38)	33.83
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions	(330.78)	107.70
Cash generated from Operating activities	**(523.29)**	**204.28**
Tax Paid (Net of refund and interest on refund)	(21.12)	(44.16)
Net Cash from Operating Activities	**(544.41)**	**160.12**
B. Cash Flow from Investing Activities		
Purchase of Investment	(100.00)	(318.45)
Sale of Investment	-	90.00
Interest received on Fixed Deposit	1.08	1.32
Net Cash from/(used in) Investing activities	**(98.92)**	**(227.13)**
C. Cash Flow from Financing Activities		
Loan taken	700.00	-
Interest Paid	(46.74)	-
Net Cash Flow from Financing Activities	**653.26**	**-**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**9.93**	**(67.01)**
Opening Cash and Cash Equivalents	40.06	107.07
Closing Cash and Cash Equivalents	**49.99**	**40.06**

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 "Cash Flow Statements".

2 Cash and Cash equivalent at the end of the year consist of:

(Rs. in Lakh)

	As at March 31, 2019	**As at March 31, 2018**
a) Cash in hand	0.03	0.08
b) Balance with Banks in Current Account	49.96	39.98
	49.99	**40.06**

3 Change in Liability arising from financing activities **(Rs. in Lakh)**

	As at April 1, 2018	**Cash Flow**	**As at March 31, 2019**
Non-Current Borrowing (including current maturity)	-	700.00	700.00
	-	**700.00**	**700.00**

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

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

sd/-

CA Rakesh Kumar Singh
Partner
Membership No. 066421

Place : Kolkata
Date: 19.04.2019

On behalf of the Board of Directors

sd/-
~~Director~~ Director
DIN

sd/-
Director
DIN

SREI ALTERNATIVE INVESTMENT MANAGERS LTD.

sd/-
Company Secretary

Statement Of Changes In Equity For The Year Ended March 31, 2019

A. Equity Share Capital

(Rs. in Lakh)

Particulars	As at April 1, 2017	Changes during the year 2017-18	As at March 31, 2018	Changes during the year 2018-19	As at March 31, 2019
Equity Share Capital	25.00	-	25.00	-	25.00

B. Other equity

(Rs. in Lakh)

Particulars	Other Comprehensive Income	Retained Earnings	Total
	Equity instruments measured through OCI		
Balance as at April 01, 2017	**28.33**	**1,262.24**	**1,290.57**
Profit for the year ended March 31, 2018	-	96.59	96.59
Other Comprehensive Income	(223.17)	0.52	(222.65)
Balance as at March 31, 2018	**(194.84)**	**1,359.35**	**1,164.51**
Profit for the year ended March 31 2019	-	33.56	33.56
Other Comprehensive Income	(2.86)	(0.50)	(3.36)
Balance as at March 31, 2019	**(197.70)**	**1,392.41**	**1,194.71**

Retained Earnings:

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

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

sd/-

CA Rakesh Kumar Singh
Partner
Membership No. 066421

Place : Kolkata
Date: 19.04.2019

For and on behalf of the Board of Directors

sd/-
Director
~~Din~~ **No**

sd/-
Director
Din No

SREI ALTERNATIVE INVESTMENT MANAGERS LTD.

sd/-
Company Secretary

SREI ALTERNATIVE INVESTMENT MANAGERS LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Alternative Investment Managers Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

The Company is engaged in providing fund management services to Venture Capital and Alternative Investment Fund.

(B) Recent Pronouncement

The Company has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective
Ind AS 116-

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

.Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(C) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 23.

(D) First Time Policy Choices

i) De-recognition of financial assets and financial liabilities

The Company has applied the De-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2017 (the transition date).

ii) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

iii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iv) Equity investments at FVTOCI

The Company has designated investment in equity shares at FVTOCI on the basis of facts and circumstances that existed at the transition date.

v) Fair value as deemed cost for investments in Subsidiaries, associates and joint ventures:

On transition, Ind AS 101 allows an entity to treat fair value as deemed cost for investments held in subsidiaries, associates and joint ventures on individual basis. Accordingly, the Company has elected to treat fair value as deemed cost for its investments held in subsidiaries identified on individual basis.

(E) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.17 Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Investments in subsidiaries, associates and joint ventures

Investment in associates and joint ventures are accounted for at cost. Cost is arrived at on weighted average method for the purpose of valuation of investments.

Equity Investment in subsidiaries are carried at cost less accumulated impairment, if any.
When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.4. Revenue

Income from management services to Venture Capital and Alternative Investment Fund is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.5. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6. Foreign Currency Transactions

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

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:

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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:

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

1.7. Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.8. Employee Benefits

Defined Contribution Plans
Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:
Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.9. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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

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

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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

Leasehold assets including improvements are amortised over the period of the lease. Freehold Land is not depreciated.

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

1.10. Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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

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

1.11. Impairment of Assets
Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.12. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

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

1.13. Taxes on Income
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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year
Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14. Claims
Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.16. Operating Segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. providing fund management services to Venture Capital and Alternative Investment Fund.

1.17. Use of Estimates and Judgements
The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an on going basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Useful lives of property, plant and equipment and intangible assets:**
As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) **Fair value measurements and valuation processes:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.18. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.19. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2 Property, Plant and Equipment

(Rs. in Lakh)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Furniture & Fittings	0.06	-	-	0.06	0.04	0.02	-	0.06	-
Total Tangible assets	**0.06**	**-**	**-**	**0.06**	**0.04**	**0.02**	**-**	**0.06**	**-**

(Rs. in Lakh)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Furniture & Fittings	0.06	-	-	0.06	-	0.04	-	0.04	0.02
Total Tangible assets	**0.06**	**-**	**-**	**0.06**	**-**	**0.04**	**-**	**0.04**	**0.02**

3 Investment - Non- Current

(Rs. in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Units	Amount	Units	Amount	Units	Amount
A) In Equity shares of Subsidiary Companies						
Unquoted, fully paid up (at cost)						
Hyderabad Information Technology Venture Enterprises Limited of Rs. 10/- each	127,500	46.75	127,500	46.75	127,500	46.75
Cyberabad Trustee Company Private Limited of Rs. 10/- each	25,500	2.55	25,500	2.55	25,500	2.55
Total (A)		**49.30**		**49.30**		**49.30**
B) In Units of Trust and Schemes						
Unquoted, fully paid (at fair value through OCI)						
Infrastructure Resurrection Fund of Rs. 100/-	110,000	111.83	110,000	118.95	100,000	108.66
Bharat Nirman Fund of Rs. 100/-	100,000	114.32	100,000	124.22	73,000	87.31
Infra Advantage Fund of Rs. 100/-	100,000	100.24	100,000	119.87	5,600	5.52
India Growth Opportunities Fund of Rs. 100/-	578,216	663.73	491,100	496.21	312,950	324.31
Vision India Fund of Rs. 100/-	500,000	275.90	500,000	262.85	500,000	495.00
Make in India Fund of Rs. 100/-	100,000	46.29	100,000	93.07	100,000	99.08
Total (B)		**1,312.31**		**1,215.17**		**1,119.88**
C) In Equity Shares of Other Companies						
Quoted, fully paid up (at fair value through profit or loss)						
Reliance Power Limited of Rs. 10/- each	-	-	-	-	5,115	2.46
Pilani Investment & Industries Corporation Limited of Rs. 10/- each	-	-	-	-	3,000	64.81
Total (C)		-		-		**67.27**
Total Investment - Non - Current (A+B+C)		**1,361.61**		**1,264.47**		**1,236.45**
Aggregate amount of Quoted Investments		-		-		67.27
Aggregate amount of Unquoted Investments		1,361.61		1,264.47		1,169.18
Aggregate provision for impairment in value of investments		-		-		-

4(i) Other Financial assets - non current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance against investment	23.13	23.13	23.13
Contribution to Trust Fund	0.75	0.75	0.75
Total	23.88	23.88	23.88

4(ii) **Other Financial assets - current**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued but not due on fixed deposit	-	-	0.35
Contribution to Trust Fund	-	-	0.10
Other Advances	210.62	19.63	15.03
Total	**210.62**	**19.63**	**15.48**

5 **(i) Deferred Tax Assets (Net)**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Components of Deferred Tax Assets/(Liability):			
Property, Plant and Equipment	1.36	1.50	1.84
Provision for Gratuity	4.98	4.21	4.36
Allowance for doubtful debts (expected credit losses)	38.64	15.09	14.02
Total	**44.98**	**20.80**	**20.22**

6 **Income Tax Asset (Net)**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & Tax Deducted At Source	405.86	413.58	371.74
Less: Provision for taxation	(145.35)	(138.42)	(105.85)
Total	**260.51**	**275.16**	**265.89**

Trade Receivables

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Unsecured, considered good	467.94	284.91	360.29
Less: Allowance for expected credit loss	69.40	0.68	7.33
	398.54	284.23	352.96
(b) Significant increase in credit risk	-	-	-
Less: Allowance for expected credit loss	-	-	-
	-	-	-
(c) Credit impaired	102.69	85.69	62.58
Less: Allowance for expected credit loss	69.50	53.56	38.05
	33.19	32.13	24.53
Total (a+b+c)	**431.73**	**316.36**	**377.49**

i) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables 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.

7 **Trade Receivables (Contd..)**

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

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	54.24	45.37
Charge in Statement of Profit and Loss	84.66	8.87
Utilized during the year	-	-
Balance at the end of the year	**138.90**	**54.24**

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

(Rs. in Lakh)

Particulars	As at March 31, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	263.95	-	263.95
Overdue between three to six months	-	-	-
Overdue between six months to one year	203.99	69.40	134.59
More than 1 year overdue	102.69	69.50	33.19
	570.63	**138.90**	**431.73**

(Rs. in Lakh)

Particulars	As at March 31, 2018		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	182.46	-	182.46
Overdue between three to six months	96.67	-	96.67
Overdue between six months to one year	5.78	0.68	5.10
More than 1 year overdue	85.69	53.56	32.13
	370.60	**54.24**	**316.36**

(Rs. in Lakh)

Particulars	As at April 1, 2017		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	340.81	-	340.81
Overdue between three to six months	-	-	-
Overdue between six months to one year	19.48	7.33	12.15
More than 1 year overdue	62.58	38.05	24.53
	422.87	**45.38**	**377.49**

The change in Expected Credit Loss Allowance of the portfolio was driven by an 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.

8 **Cash and cash equivalents:**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.03	0.08	0.03
Fixed deposit with bank having original maturity of 3 months or less	-	-	99.00
Balances with Banks in current account	49.96	39.98	8.04
Total	**49.99**	**40.06**	**107.07**

9 **Other Current Assets**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Input GST	11.10	14.19	3.99
Prepaid Expenses	0.67	0.62	0.64
Total	**11.77**	**14.81**	**4.63**

10 Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs. In Lakh	Number	Rs. In Lakh	Number	Rs. In Lakh
Authorised Share Capital						
Equity Shares of Rs. 10/- each	5,000,000	500.00	5,000,000	500.00	5,000,000	500.00
Preference Shares of Rs. 100/- each	5,000,000	5,000.00	5,000,000	5,000.00	5,000,000	5,000.00
		5,500.00		**5,500.00**		**5,500.00**
Issued, Subscribed and Paid up Capital						
Equity Shares of Rs. 10 each fully paid up	250,000	25.00	250,000	25.00	250,000	25.00
		25.00		**25.00**		**25.00**

10.1 Reconciliation of equity shares

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	**Rs. In Lakh**	**No. of Shares**	**Rs. In Lakh**	**No. of Shares**	**Rs. In Lakh**
Shares outstanding at the beginning of the year	250,000	25.00	250,000	25.00	250,000	25.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	250,000	25.00	250,000	25.00	250,000	25.00

Terms and rights attached to equity shares:
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

10.2 **Details of shares held by each shareholder holding more than 5%**

Name of the Company	As at March 31, 2019		As at 31st March 2018		As at 1st April 2017	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**
Fully paid equity shares						
Srei Infrastructure Finance Limited *	250,000	100%	250,000	100%	250,000	100%

* Includes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

10.3 Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates

Name of the Company (Relationship)	As at March 31, 2019		As at 31st March 2018		As at 1st April 2017	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**
Srei Infrastructure Finance Limited (holding Company)	250,000	100%	250,000	100%	250,000	100%

10.4 The Company during the preceding 5 years:
- i Has not alloted shares pursuant to contracts without payment received in cash.
- ii Has not issued shares by the way of bonus shares.
- iii Has not bought back any shares.

11 **Other Equity**

(Rs. In Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Retained Earnings			
Balance as per last accounts	1,359.35	1,262.24	1,262.24
Net Profit/(Loss) for the Year	33.56	96.59	-
Other comprehensive income transferred from Statement of Profit and Loss	(0.50)	0.52	-
Closing Balance	**1,392.41**	**1,359.35**	**1,262.24**
b) Other comprehensive income			
Balance as per last accounts	(194.84)	28.33	28.33
Equity instruments measured through OCI	(2.86)	(223.17)	-
Closing Balance	**(197.70)**	**(194.84)**	**28.33**
Total (a+b)	**1,194.71**	**1,164.51**	**1,290.57**

12 Borrowings - non current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured, measured at amortised cost			
Term Loan from holding company	700.00	-	-
Total	**700.00**	**-**	**-**

Terms of repayment for Secured Borrowing:

Rupee Term Loan of Rs. 700 lakhs is secured by way of charge on Investments of the Company to the extent of at least 1.25 times of the outstanding loan & Demand Promissory Note. Bullet repayment at the end of 36 months from initial drawdown date i.e. 24th April 2018. Interest rate is 11% per annum (fixed) and interest will be payable quarterly on 1st day of each month falling after the initial drawdown date.

13(i) Provisions - non-current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Employee Benefits:			
Gratuity	17.69	14.94	13.96
Leave Encashment	6.11	4.13	3.89
Sick Leave Availment	2.51	2.09	1.54
Total	**26.31**	**21.16**	**19.39**

13(ii) Provisions -current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Employee Benefits:			
Gratuity	0.22	0.17	0.14
Leave Encashment	0.08	0.65	0.40
Sick Leave Availment	0.43	0.35	0.25
Total	**0.73**	**1.17**	**0.79**

14 Trade Payables - Current

14.1 Due to Micro and Small Enterprises

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
d) The amount of interest accrued and remaining unpaid	-	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
	-	-	-

14.2 Trade Payables - Current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For Services	20.67	105.75	200.09
Total	**20.67**	**105.75**	**200.09**

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

15 Other Financial Liabilities - Current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due	14.92	-	-
Advance from Customer	-	-	
Security Deposit	300.00	300.00	300.00
Short Term Advance received	0.12	250.40	-
Liability for expenses	92.87	81.89	186.69
Salary & other payroll dues	9.78	5.18	4.50
Total	**417.69**	**637.47**	**491.19**

16 Other Current Liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance from Customer	-	-	8.64
Statutory Liabilities	9.98	20.13	15.50
Total	**9.98**	**20.13**	**24.14**

17 Revenue From Operations (Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Management Fees (Gross)	482.59	972.31
Professional & Consultancy Fee	20.00	-
Total	**502.59**	**972.31**

18 Other Income (Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Income from Long Term trade investments	-	0.43
Dividend from Long term other than Trade investment	-	0.75
Interest on Fixed Deposits - carried at amortised cost	1.08	0.97
Interest on income tax refund	1.73	-
Net Gain on investment measured at FVTPL		
Profit on sale of investment	-	22.74
Liability no longer required now written back	0.09	57.32
Total	**2.90**	**82.21**

19 Employee Benefits Expense (Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Salaries, wages, bonus and allowances	123.40	124.76
Contribution to Provident & Other funds	7.64	5.55
Staff welfare expenses	0.88	0.57
Total	**131.92**	**130.88**

20 Finance Cost (Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Interest expense	61.66	-
Total	**61.66**	-

21 **Other Expenses** (Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Legal & Professional Fees	122.99	756.31
Travelling and Conveyance	15.28	10.01
Rates & Taxes	0.16	6.29
Business Promotion	0.28	-
Filing Fees	0.14	0.03
Communication Expenses	0.46	0.33
Printing & Stationery	0.41	0.32
Directors Fees	2.75	2.75
Loss on foreign currency transactions and translations	4.95	0.40
Allowance for doubtful debts	84.65	8.87
Bad Debts Written Off	25.61	3.76
Advances written off	4.80	-
Membership & Subscription	1.46	1.14
Payment to Auditors :		
-Fees for Statutory Audit	0.50	0.50
-Fees for Tax Audit	0.13	0.13
-Other Services (Certification etc.)	0.05	0.08
Bank Charges	0.15	1.78
Miscellaneous Expenses	0.04	0.19
Total	**264.81**	**792.89**

22 **Income Tax Expenses** (Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Current tax		
-Tax for earlier year	-	2.30
-Current Tax	37.50	32.60
Total Current Tax	**37.50**	**34.90**
Deferred tax	(24.18)	(0.78)
Total Deferred Tax	**(24.18)**	**(0.78)**
Total	**13.32**	**34.12**

23 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,
b. not recognising items of assets or liabilities which are not permitted by Ind AS,
c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates
The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

(ii) Deemed cost for property, plant and equipment
The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(iii) Investments
The Company has designated unquoted equity instruments held at 1 April 2017 as fair value through OCI investments.

(iv) Fair value of investment in Subsidiary
Company has elected to continue with the carrying value of its investment in Subsidiary recognised as of 1 April, 2017 (transition date) measured as per the Previous GAAP as its deemed cost as at the date of tranisition.

Reconciliation of Total Equity as as March 31, 2018 and April 1, 2017

(Rs. in Lakh)

Particulars	Notes to first-time adoption	March 31, 2018	April 1, 2017
Equity as per Previous GAAP		1,423.50	1,361.86
Adjustments:			
Impact on investment measured at FVTPL	(a)	-	(43.26)
Impact on investment measured at OCI	(a)	(194.84)	28.33
Remeasurement of defined benefit plan	(b)	(0.72)	-
Allowance for expected credit loss	(c)	(54.25)	(45.38)
Deferred tax on above	(d)	15.30	14.02
Other Comprehensive Income - Remeasurement of defined benefit plan	(b)	0.52	-
Total Equity as per Ind AS		**1,189.51**	**1,315.57**

Reconciliation of Total Comprehensive Income for the year ended March 31, 2018

(Rs. in Lakh)

Particulars	Notes to first-time adoption	March 31, 2018
Net Profit /(Loss) as per Previous GAAP (after tax)		61.64
Adjustments:		
Impact of Investment measured at FVTPL	(a)	43.26
Remeasurement of defined benefit plan	(b)	(0.72)
Allowance for expected credit loss	(c)	(8.87)
Defered tax on above	(d)	1.28
Total adjustments		**34.95**
Profit After Tax as per Ind AS		96.59
Impact on investment measured at OCI	(a)	(223.17)
Other Comprehensive Income - Remeasurement of defined benefit plan	(c)	0.52
Total Comprehensive Income as per Ind AS		**(126.06)**

Footnotes to the reconciliation of total equity as at April 1, 2017 and 31st March 2018 and Total Comprehensive Income for the year ended 31st March 2018.

(a) Under Previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTPL/FVOCI investments. Ind AS requires FVTPL/FVOCI investments to be measured at fair value. Net gain/(loss) on fair valuation of Investments on transition date has been recognised in retained earning / other comprehensive income and subsequent gain / (loss) has beenrecognised in statement of Profit and Loss or in Other Comprehensive Income.
(b) Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of Remeasurement of the net defined benefit liability/asset which is recognised in OCI.

23 First Time Adoption (Contd..)

Footnotes to the reconciliation of total equity as at April 1, 2017 and 31st March 2018 and Total Comprehensive Income for the year ended 31st March 2018.

(c) Under Previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the company. This judgement was based on consideration of information available up to the date on which the financial statements were approved.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortized cost. Expected loss on individually significant receivables is assessed when they are past due and based on company's historical counterparty default rates.

(d) Under Previous GAAP, deferred tax was accounted using the income statement approach on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of assets or liabilities in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

24 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use to fund working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations, long term and short term borrowings from financial institutions.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 12 offset by cash and cash equivalents in note 8) and total equity of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances).

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(Rs. In Lakh)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Equity Share Capital	25.00	25.00	25.00
Other Equity	1,194.71	1,164.51	1,290.57
Total Equity (A)	1,219.71	1,189.51	1,315.57
Non Current Borrowings	700.00	-	-
Gross Debts (B)	700.00	-	-
Total Capital (A+B)	1,919.71	1,189.51	1,315.57
Gross Debt as above	700.00	-	-
Less: Cash and Cash Equivalents	49.99	40.06	107.07
Net Debt (C)	650.01	(40.06)	(107.07)
Net Debt to Equity	0.54	-	-

Net debt to equity as at 31.03.2019 and 31.03.2018 has been computed based on average equity and as on 1.04.2017, it is based on closing equity.

25 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 1 to the financial statements.

25 CAPITAL MANAGEMENT (Contd..)

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in Lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
(i) Trade Receivables	431.73	431.73	316.36	316.36	377.49	377.49
(ii) Cash and Cash Equivalents	49.99	49.99	40.06	40.06	107.07	107.07
(iii) Other Financial Assets	234.50	234.50	43.51	43.51	39.36	39.36
Sub-total	716.23	716.23	399.93	399.93	523.92	523.92
b) Measured at Fair value through OCI						
i) Investments	1,312.31	1,312.31	1,215.17	1,215.17	1,119.88	1,119.88
Sub-total	1,312.31	1,312.31	1,215.17	1,215.17	1,119.88	1,119.88
c) Measured at Fair value through P&L						
i) Investments	-	-	-	-	67.27	67.27
Sub-total	-	-	-	-	67.27	67.27
Total financial assets	**2,028.54**	**2,028.54**	**1,615.10**	**1,615.10**	**1,711.07**	**1,711.07**
Financial liabilities						
a) Measured at amortised cost						
i) Borrowings	700.00	700.00	-	-	-	-
ii) Trade Payables	20.67	20.67	105.75	105.75	200.09	200.09
iii) Other financial liabilities	417.69	417.69	637.47	637.47	499.83	499.83
Total financial liabilities	**1,138.36**	**1,138.36**	**743.22**	**743.22**	**699.92**	**699.92**

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.

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 include cash, cash equivalents, Other Bank Balance, Loans, Trade and other receivables.

Trade and Other Payables

Trade payables that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments includes Trade & Other payables.

B) **Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in Alternate Investment Funds included in level 3.

(Rs. in Lakh)

	As at 31.03.2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments measured Measured at Fair value through OCI	-	-	1,312.31	1,312.31
Investments measured Measured at Fair value through P&L	-	-	-	-
	-	-	**1,312.31**	**1,312.31**

(Rs. in lakh)

	As at 31.03.2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments measured Measured at Fair value through OCI	-	-	1,215.17	1,215.17
Investments measured Measured at Fair value through P&L	-	-	-	-
	-	-	**1,215.17**	**1,215.17**

25 CAPITAL MANAGEMENT (Contd..)

B) Fair value hierarchy (Contd..)

(Rs. in lakh)

	As at 01.04.2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments measured Measured at Fair value through OCI	-	-	1,119.88	1,119.88
Investments measured Measured at Fair value through P&L	67.27	-	-	67.27
	67.27	**-**	**1,119.88**	**1,187.15**

C) **Financial risk management objectives**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on policies and procedures issued by appropriate authorities, internal control systems, process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

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

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

However the company's exposure to foreign exchange rate fluctuation is not significant as the level of foreign currency transactions are limited. Therefore the company does not hedge its exposure in foreign currency. Unhedged exposure in foreign currency is as under:

(Rs. In Lakh)

Particulars	Currency of exposure	As at 31-3-2019	As at 31-3-2018	As at 01-04-17
Liability for expenses	USD	85.93	80.98	80.58

Foreign currency sensitivity

Foreign Currency Sensitivities for unhedged exposure (impact on increase in 0.5%) gain/(loss):

Particulars	Currency of exposure	As at 31-3-2019	As at 31-3-2018	As at 01-04-2017
Liability for expenses	USD	(0.43)	(0.40)	(0.40)

Note: If the rate is decreased by 0.5% expense of the Company will decrease by an equal amount.

Figures in brackets indicate decrease in profit.

ii. Interest rate risk

The Company is not exposed to interest rate risk as the Company borrows funds at fixed interest rates.

b) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events. The objectives of the Company's liquidity risk management processes are to lessen the impact of liquidity risk by minimizing mismatch in timing of cash flow.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(Rs. in Lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial assets						
(i) Investments	-	1361.61	-	1264.47	-	1236.45
(ii) Trade Receivables	431.73	-	316.36	-	377.49	-
(iii) Cash and Cash Equivalents	49.99	-	40.06	-	107.07	-
(iv) Other Financial Assets	210.62	23.88	19.63	23.88	15.48	23.88
Total financial assets	**692.35**	**1,385.49**	**376.05**	**1,288.35**	**500.04**	**1,260.33**
Financial liabilities						
i) Borrowings	-	700.00	-	-	-	-
ii) Trade Payables	20.67	-	105.75	-	200.09	-
iii) Other financial liabilities	417.69	-	637.47	-	499.83	-
Total financial liabilities	**438.36**	**700.00**	**743.22**	-	**699.92**	-

c) Credit risk

Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations. The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

26 **Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.**

The Company has recognised, in Statement of Profit and Loss for the year ended 31.03.2019 an amount of Rs.7.64 Lakh (Previous year Rs.5.55 Lakh) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans. The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

All employees who have rendered service for specified period as per the Payment of Gratuity Act, 1972 are entitled for gratuity. The gratuity amount is determined based on the last drawn salary and period of service with the company.

The defined benefit obligations are unfunded and thus the disclosure requirements of plan assets have not been made.

Risk Management
The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31.03.2019.

26.1 **Particulars in respect of post retirement defined benefit plans of the Company are as follows :-**

(Rs. In Lakh)

Description	Gratuity Fund As at 31.03.2019	Gratuity Fund As at 31.03.2018	Gratuity Fund As at 01.04.2017	Leave As at 31.03.2019	Leave As at 31.03.2018	Leave As at 01.04.2017
1. Change in the defined benefit obligation						
Present Value of Obligation at the Beginning of the Year	**15.12**	14.10	15.37	**4.77**	4.30	10.60
Current Service Cost	**0.94**	0.73	2.75	**1.61**	-	1.19
Interest Cost	**1.15**	1.01	1.20	**0.26**	0.24	0.47
Past Service Cost - Plan Amendments	-	-				
Acquisitions Cost/credit	-	-	-		-	-
Actuarial (gain)/loss	**0.70**	(0.72)	(5.22)	**2.36**	2.24	1.05
Benefits paid	-	-	-	**(2.81)**	(2.00)	(9.02)
Present Value of Obligation at the end of the Year	**17.91**	**15.12**	**14.10**	**6.18**	**4.77**	**4.30**
2. Amount recognised in Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	-	-	-	-	-	-
Present Value of Obligation at the end of the Year	17.91	15.12	14.10	6.18	4.77	4.30
(Asset)/Liabilities as per the actuarial valuation	17.91	15.12	14.10	6.18	4.77	4.30
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	**17.91**	**15.12**	**14.10**	**6.18**	**4.77**	**4.30**

(Rs. In Lakh)

3. Expenses recognised in the statement of profit and loss consists of:	**Year ended 31.03.2019**	**Year ended 31.03.2018**	**Year ended 31.03.2019**	**Year ended 31.03.2018**
Employee benefits expenses:				
Current Service cost	**0.94**	0.73	1.61	-
Net Interest cost	**1.15**	1.01	0.26	0.24
Total [A]	**2.09**	**1.74**	**1.87**	**0.24**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	**0.45**	0.33	2.27	2.49
Actuarial (Gain) / Loss from financial assumptions	**0.25**	(1.05)	0.09	(0.25)
Return on plan assets (excluding amounts included in net interest cost)	-	-	-	-
Total [B]	**0.70**	**(0.72)**	**2.36**	**2.24**
Expense recognised during the year [A+B]	**2.79**	**1.01**	**4.23**	**2.48**

The expense for the Defined Benefits (referred to in para 19 above) are included in the line item under 'Contribution to Provident and other Funds' .

26.2 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs. in Lakh)

Description	Gratuity % Invested 31.03.2019	Gratuity % Invested 31.03.2018	Gratuity % Invested 01.04.2017	Leave % Invested 31.03.2019	Leave % Invested 31.03.2018	Leave % Invested 01.04.2017
4. Investment Details of Plan Assets	NA	NA	NA	NA	NA	NA
5. Assumptions						
Discount rate per annum	**7.50%**	7.60%	7.15%	**7.50%**	7.60%	7.15%
Salary escalation rate per annum	**10.00%**	10.00%	10.00%	**10.00%**	10.00%	10.00%
c.Expected rate of return on Plan Assets per annum	NA	NA	NA	NA	NA	NA
Best Estimate of Employers' Expected Contributions for the next year						
Method used	Projected Unit Credit Method			Projected Unit Credit Method		

SREI ALTERNATIVE INVESTMENT MANAGERS LIMITED
NOTES TO FINANCIAL STATEMENTS

27 Related Party Disclosures

a) Related Parties

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
2	Srei Factors Private Limited (w.e.f. 02.01.2019)	India
C	**Holding Company**	
3	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries:**	India
4	Srei Mutual Fund Asset Management Private Limited	India
5	Srei Capital Markets Limited	India
6	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
7	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
8	Srei Mutual Fund Trust Private Limited	India
9	Srei Insurance Broking Private Limited	India
10	Controlla Electrotech Private Limited	India
11	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
12	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
13	Quippo Oil & Gas Infrastructure Limited (ceased to be a fellow subsidiary w.e.f. 31.03.2019)	India
14	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to a fellow sub-subsidiary w.e.f. 31.03.2019)	India
15	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
16	Srei Equipment Finance Limited	India
17	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
E	**Fellow Associates**	
18	Sahaj e-Village Limited	India
19	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
20	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
21	AO International Infrastructure Services, Russia (Formerly AO Srei Leasing Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
22	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
23	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
F	**Others**	
24	Srei Mutual Fund Trust	India
25	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
G	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
26	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
H	**Key Management Personnel (KMP)/Directors:**	**Designation**
27	Mr. Shashi Bhushan Tiwari	Non- Executive Director
28	Mr. Sanjeev Sancheti	Non- Executive Director
29	Mr. Chandra Shekhar Samal	Non- Executive Director
	Mr. Sushil Kumar Pal	Non- Executive Director
31	Mr. Raghunath Mishra	Company Secretary
I	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
32	Mr. Hemant Kanoria	Chairman - Holding Company
33	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
34	Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director - Holding Company
35	Mr. S.Rajagopal	Independent Director - Holding Company
36	Mr. S.Chatterjee	Independent Director - Holding Company
37	Dr. Punita Kumar Sinha	Independent Director - Holding Company
38	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
39	Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category – Independent) - Holding Company
40	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY – Non Executive Non Independent)- Holding Company
41	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
42	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
43	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
44	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
45	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
46	Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer - Holding Company
47	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
48	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
49	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Internal Auditor - Holding Company
50	Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director - Holding Company
51	Mr. T.C.A. Ranganathan (Upto 07.12.2017)	Independent Director - Holding Company

27 Related Party Transaction

b) **Summary of Transactions with Related Parties**

Transactions entered with related parties during the year ended March 31, 2019 and March 31, 2018 are as under:

(Rs. in Lakh)

Name of related party	Nature of Transactions & Outstanding Balances	Year ended March 31, 2019	Year ended March 31, 2018
Holding Company			
Srei Infrastructure Finance Limited	**Transactions:**		
	Loan Taken	700.00	-
	Interest on Loan Taken	61.66	-
	Short Term Advance taken	-	250.00
	Short Term Advance refunded	250.00	-
Key Management Personnel			
Mr. Shashi Bhushan Tiwari	Director's Sitting Fee	0.75	0.75
Mr. Sanjeev Sancheti	Director's Sitting Fee	-	-
Mr. Chandra Shekhar Samal	Director's Sitting Fee	1.00	1.00
Mr. Sushil Kumar Pal	Director's Sitting Fee	1.00	1.00
Mr. Raghunath Mishra	Salary & Allowances	12.10	15.81

Balance due with related parties as on March 31, 2019, March 31, 2018 and April 1, 2017 are as under:

(Rs. in Lakh)

Name of related party	Outstanding Balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Holding Company				
Srei Infrastructure Finance Limited	**Outstanding Balances:**			
	Balance Short Term Advance Payable	-	250.00	-
	Balance Loan Payable	700.00	-	-
	Interest accrued but not due outstanding (net of TDS)	14.92	-	-
Fellow subsidiary				
Srei Capital Markets Limited	**Outstanding Balances:**			
	Balance due - Professional Fees	-	-	200.00

c) **Compensation to Key Managerial Personnel**

(Rs. in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-term benefit	12.10	15.18
Other long-term employee benefit	0.81	0.87
Post-employment benefit	0.59	0.28
Director's sitting fee	2.75	2.75

28 Earnings per Share

Basic and Diluted Earnings per Share

S.No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Net Profit/ (Loss) after tax attributable to Equity Shareholders (Rs. In Lakh)	33.56	96.59
2	Weighted average number of Equity Shares Basic (Nos.)	250,000	250,000
3	Weighted average number of Potential Equity Shares (Nos.)	-	-
4	Weighted average number of Equity Shares Diluted (Nos.)	250,000	250,000
5	Nominal Value of Equity per share (Rs)	10.00	10.00
6	Basic Earnings per share (Rs)	13.43	38.64
7	Diluted Earnings per share (Rs)	13.43	38.64

29 **Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Management and Consultancy Fee.

30 **Contingent Liabilities**

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contingent Liability		
Claims against the company not acknowledged as debt		
-Income Tax (F.Y. 2010-11)	-	0.67
-Income Tax (F.Y. 2012-13)	43.17	43.17
-Income Tax (F.Y. 2013-14)	4.61	4.61
-Income Tax (F.Y. 2014-15)	293.22	293.22
Total	**341.00**	**341.67**
Capital Commitment (to the extent not provided for)	2003.00	2,003.00

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble court has dismissed the petition vide order dated 01.09.2017. However amount of FBT liability has not been determined by the department. The Company has filed Appeals before the Division Bench of Hon'ble Calcutta High Court against the Single Judge Bench. In view of this, the Company has not provided for any liability towards FBT till 31 March 2009. However, consequent upon abolition of FBT from accounting year 2009-10, no liability arises for the year.

31 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

On behalf of the Board of Directors

sd/-
Director
Din No

sd/-
Director
Din No

Place : Kolkata
Date: 19.04.2019

SREI ALTERNATIVE INVESTMENT MANAGERS LTD.

sd/-
Company Secretary

SREI ALTERNATIVE INVESTMENT MANAGERS LIMITED

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Rs. In Lakh)

Part "A": Subsidiaries

Sl No.	Name of the subsidiary	Hyderabad Information Technology Venture Enterprises Limited	Cyberabad Trustee Company Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA
3	Share capital	25.00	5.00
4	Reserves & surplus	36.58	1.19
5	Total assets	62.00	6.27
6	Total Liabilities	62.00	6.27
7	Investments	-	-
8	Turnover	3.32	0.42
9	Profit/(Loss) before taxation	(5.98)	0.05
10	Provision for taxation	-	0.02
11	Profit/(Loss) after taxation	(5.98)	0.03
12	Proposed Dividend	-	-
13	% of shareholding	51%	51%

Note:

Subsidiaries yet to commence operations None

Subsdiaries which have been sold or liquidated during the year None

Part "B": Associates and Joint Ventures

During the year the company does not have any Associate or Joint Venture, therefore Part B of Form AOC 1 is Not Applicable.

On Behalf of the Board of Directors

sd/- sd/-

Director Director

DIN DIN

Place : Kolkata

Date : 19.04.2019

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company have pleasure in presenting the 21st Annual Report together with the Audited Accounts of your Company for the Financial Year ended 31st March 2019.

FINANCIAL RESULTS AND OPERATIONS

(Rupees in Lakhs)

Particulars	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Total Income	3.32	4.03
Total Expenditure	9.30	11.03
Profit / (Loss) Before Depreciation	(5.98)	(7.00)
Depreciation	-	-
Profit / (Loss) Before Bad Debts / Provision and Tax	(5.98)	(7.00)
Bad Debts / Provisions etc.		
Profit / (Loss) Before Tax	**(5.98)**	**(7.00)**
Provision for Current Tax	-	-
Income Tax in respect of earlier years	-	-
Profit / (Loss) After Tax	**(5.98)**	**(7.00)**
Balance brought forward from previous year	**42.56**	49.56
Balance carried to Balance Sheet	**36.58**	42.56
Paid up Equity Share Capital	25.00	25.00
Amount transferred to Reserves	**36.58**	**42.56**

REVIEW OF OPERATIONS

The Company has not made any fresh investments and is also making all out efforts to recover the Investments made prior to the year 2005.

During the year under review, initiatives for recovery of Investments made prior to 2005 are in process. Net Loss decreased by Rs.(1.02) Lakh before Tax, in comparison to that of the Previous Year.

The Company has generated Rs.3.32 Lakh Revenue against Total Expenditure of Rs.9.30 Lakh, which resulted in after Tax Loss, amounting to Rs.(5.98) Lakh, as compared to the Previous Year Loss of Rs.(7.00) Lakh.

DIVIDEND

In view of the Loss incurred during the year under review, the Board of Directors of your Company has not recommended any Dividend for the Financial Year 2018-19.

Parisrama Bhavanam, 5-9-98/B, 1st Floor, Fateh Maidan Road, Basheerbagh, Hyderabad, Telangana - 500 004. India.
Tel: +91 40 6524 3693, +91 40 2323 7995, Fax: +91 40 2323 5516 E-mail: business@hitvel.co.in

TRANSFER TO RESERVES

In view of the Losses incurred by the Company this year, no amount has been transferred to General Reserve.

SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Ventures and Associate Companies and accordingly no Disclosure is required to be made in terms of Provisions of Section 134(3) (q) of the Companies Act, 2013, read with Rule 8(5) (iv) the Companies (Accounts) Rules, 2014.

PUBLIC DEPOSITS

The Company has not Invited or Accepted Deposits from the Public covered under Section 73 of the Companies Act, 2013, and The Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Your Company is not carrying out any Manufacturing activity or Activities relating to Conservation of Energy and Technology Absorption as required to be Disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) the Companies (Accounts) Rules, 2014.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings: Nil
Outgo: Nil

DIRECTOR & KEY MANAGERIAL PERSONNEL

DIRECTORS

In accordance with the Provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Shri Ashok Kumar Pareek and Shri N. Ramaraju Directors of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for Re-appointment.

The Board, therefore, recommends the Re-appointment of Shri Ashok Kumar Pareek and Shri N. Ramaraju Directors of your Company

Further, during the financial year under Review the following Appointment, Re-appointment, Change in Designation, Resignation of Directors have occurred:

1) Appointment of Shri Sanjay Jain, as Nominee Director of SIDBI, on the Board of the Company.
2) Appointment of Shri Kallat Vatsa Kumar as Nominee Director of SIDBI, on the Board of the Company.

3) Cessation of Shri. G. Sampath Kumar, as Nominee Director, consequent to the Withdrawal of the Nomination by SIDBI.

4) Cessation of Shri Ravindran Lakshmanan as Nominee Director, consequent to the Resignation of the Nomination by SIDBI.

KEY MANAGERIAL PERSONNEL

As per the Provisions of Section 203 of the Companies Act, 2013 (the Act) read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company and every other Public Company, having a Paid-up Share Capital of Ten Crore Rupees or more shall have a Whole-Time KMP's namely, (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director; (ii) Company Secretary; and (iii) Chief Financial Officer. Your Company is not required to appoint any Whole-Time KMP, as the Paid-up Share Capital of the Company, is Less than the Limit, as prescribed.

MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2018-19, Four Meetings of the Board of Directors of the Company were held on the following dates:

Date of Board Meeting	Directors Present
24th April , 2018	1. Sri Subrata Ghosh 2. Sri Ashok Kumar Pareek 3. Smt. Shilpa Modi
23rd July ,2018	1. Sri Subrata Ghosh 2. Sri Ramaraju Namburi 3. Smt. Shilpa Modi
10th October , 2018	1. Sri Subrata Ghosh 2. Sri Ashok Kumar Pareek 3. Sri Ramaraju Namburi
10th January, 2019	1. Sri Subrata Ghosh 2. Sri Ashok Kumar Pareek 3. Smt. Shilpa Modi

PARTICULARS OF EMPLOYEES

The Disclosure pursuant to the Provisions of Section 134(3)(q) of the Companies Act, 2013, read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In the Financial Year 2018-19, the Company has not given any Loan, Guarantee or made any Investments exceeding Sixty per cent of its Paid-up Share Capital, Free Reserves and Securities Premium Account, or One Hundred Per cent of its Free Reserves and Securities Premium Account, whichever is higher, as prescribed under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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 applicable to your Company as attached.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return for the Financial Year ended March 31, 2019, in Form No. MGT-9 is Annexed and Forms part of this Board of Director's Report.

RISK MANAGEMENT POLICY

The Company has proper procedures in place for development and implementation of a Risk Management Policy for the Company including identification therein, of elements of Risk, if any, which in the Opinion of the Board, may threaten the Existence of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no Material Changes and Commitments, affecting the Financial Position of the Company, which have occurred between the End of the Financial Year of the Company, to which the Financial Statements relate and the Date of the Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no Significant and Material Orders has been passed by Regulators, or Courts or Tribunals, impacting the Going Concern Status and Company's Operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Provisions of Section 134(5) of the Companies Act, 2013 (Act), read with relevant Rules made thereunder, your Directors confirm that:

(i) in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2019, the applicable Accounting Standards had been followed, along with proper explanation relating to Material departures;

(ii) they have selected such Accounting Policies and applied them Consistently and made Judgments and Estimates, 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 and of the Loss of your Company, for that period;

(iii) they have taken proper and sufficient care for the Maintenance of Adequate Accounting Records, in accordance with the Provisions of this Act, for Safeguarding the Assets of your Company and for Preventing and Detecting Fraud and other Irregularities;

(iv) they have prepared the Annual Accounts for the Financial Year ended 31stMarch, 2019, on a Going Concern Basis; and

(v) they have devised proper Systems to ensure Compliance with the Provisions of all applicable Laws and that, such Systems were Adequate and Operating Effectively.

Further, your Directors confirm that your Company, has adequate Internal Systems and Controls in place, to ensure Compliance of Laws, applicable to your Company.

AUDITORS AND AUDITORS' REPORT

On the recommendation of the Board of Directors of your Company, the Members at their Annual General Meeting held on 29th September, 2014, appointed Messrs Anant Rao & Mallik, Chartered Accountants, having Registration No. 006266S, allotted by the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company for a term of Five Years, who shall hold the Office until the Conclusion of the Twenty Second Annual General Meeting of the Company, in accordance with Section 139(1) and other applicable Provisions, if any, of the Companies Act, 2013.

In terms of the Provisions of Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to such Appointment of Auditors for Ratification by Members at every Annual General Meeting of the Company. Your Company has received Confirmation from the said Auditor, that their Appointment is within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013. The Board of Directors Recommends to the Members for Ratification of Appointment of Messrs Anant Rao & Mallik, Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company, at the ensuing Annual General Meeting of the Company.

As regards Observations contained in the Auditors' Report, the respective Notes to the Accounts are self-explanatory and, therefore, do not call for further Comments.

ACKNOWLEDGEMENTS

Your Directors place on record their Gratitude and Appreciation for the continued Cooperation and Excellent Support received from SREI, Andhra Pradesh Industrial Development Corporation (APIDC), Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) and Small Industries Development Bank of India (SIDBI).

Your Directors also wish to place on record their Appreciation, for the Sincere Contributions received from the Employees of the Company in enabling it to achieve the Performance during the year under Review and the Valuable Co-operation and Continuous Support extended by the Bankers, Consultants, Stakeholders, Strategic Investors, various Government and Statutory Authorities and other Business Associates.

By Order of the Board
FOR HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED

	Sd/-	Sd/-
Place: Hyderabad.	**SUBRATA GHOSH**	**N. RAMA RAJU**
Date: 17th April, 2019.	**Director**	**Director**
	DIN: 0101864	**DIN: 06972656**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain Arms Length Transactions under Third Proviso thereto

1. Details of contracts or Arrangements or Transactions not at Arm's Length Basis:

(a) Name(s) of the Related Party and nature of Relationship: NIL

(b) Nature of Arrangements/Transactions: NIL

(c) Duration of the Arrangements/Transactions: NIL.

(d) Salient terms of the Arrangements or Transactions, including the Value, if any: NIL

(e) Justification for entering into such Arrangements or Transactions: Nil

(f) Date(s) of Approval by the Board, if any: NIL

(g) Amount Paid as Advances, if any: Nil

(h) Date on which the Special Resolution was passed in General Meeting, as required under First Proviso to section 188: -NA

2. Details of material Contracts or Arrangement or Transactions at Arm's Length Basis

(a) (a) Name(s) of the Related Party and Nature of Relationship: Andhra Pradesh Industrial Development Corporation Limited, Shareholder;

(b) Nature of contracts/arrangements/transactions: Rental

(c) Duration of the contracts / arrangements/transactions: Indefinite

(d) Salient Terms of the Contracts or Arrangements or Transactions including the Value, if any: Rs.0.11 Lakh per month, w.e.f., 01.04.2018 to 30.09.2018 and Rs.0.12 Lakh per month w.e.f., 01.10.2018 to 31.03.2019. The Rental is subject to Annual Hike of 10% every year w.e.f., 1st October.

(e) Date(s) of Approval by the Board: In accordance with the decision of the Board, at its Meeting held on 20th July, 2013.

(f) Amount Paid as Advances, if any: Nil

	Sd/-	Sd/-
Place: Hyderabad.	**SUBRATA GHOSH**	**N. RAMA RAJU**
Date: 17th April, 2019.	**Director**	**Director**
	DIN: 0101864	**DIN: 06972656**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	U72200TG1998PLC029282
ii)	Registration Date	22/04/1998
iii)	Name of the Company	HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company and Subsidiary of Public Limited Company
v)	Address of the Registered office and Contact details	5-9-58/B, Parisrama Bhavanam, Basheerbagh, Hyderabad, Telangana-500 004
vi)	Whether Listed Company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. Principal business activities of the company

Business activities contributing 10 % or More, of the Total Turnover of the Company are:-

Sl. No	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the company
1	**Fund Management Services**	66309	**Nil**

III. Particulars of holding, subsidiary and associate companies

S. N0	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SREI Alternative Investment Managers Limited (formally known as SREI Ventures Capital Limited	U65999WB1994PLC065722	Holding	51%	2(46) of Companies Act, 2013

IV. Share Holding Pattern (Equity Share Capital Breakup as,Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	**No. of Shares held, at theBeginning of the Year**				**No. of Shares held, at the end ofthe Year**				**% Change During the Year**
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) **Indian**									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	20825	20825	8.33	-	20825	20825	8.33	-
d) Bodies Corp.	-	127500	127500	51.00	-	127500	127500	51.00	-
e) Banks / FI	-	101675	101675	40.67	-	101675	101675	40.67	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**25,00,000**	**25,00,000**	**100**	-	**25,00,000**	**25,00,000**	**100**	-
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding	-	**25,00,000**	**25,00,000**	**100**	-	**25,00,000**	**25,00,000**	**100**	-

of **Promoter (A) =(A)(1)+(A)(2)**									
B. **Public Shareholding**									
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in	-	-	-	-	-	-	-	-	-

excess of Rs 1 lakh									
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**25,00,000**	**25,00,000**	**100**	**-**	**25,00,000**	**25,00,000**	**100**	**-**

 # Out of the above, 6 (Six) Shares are held by Directors and Members, in the capacity of Nominee of SREI (Srei Alternative Investment Managers Limited)

Shareholding of Promoters

Sl No.	**Shareholder's Name**	**Share holding at the beginning of the year**			**Share holding at the end of the year**			
		No. of Shares	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	%change in shareholding during the year
1	SREI -Srei Alternative Investment Managers Limited	127500	51.00	-	127500	51.00	-	-
2	SIDBI - Small Industries Development Bank of India	61250	24.50	-	61250	24.50	-	-
3	APIDC - Andhra Pradesh Industrial Development Corporation Limited	40425	16.17	-	40425	16.17	-	-
4	APIIC - Andhra Pradesh Industrial Infrastructure Corporation Limited	20825	08.33	-	20825	08.33	-	-
	Total	**250000**	**100**	**-**	**250000**	**100**	**-**	**-**

 # Out of the above, 6 (Six) Shares are held by Directors and Members, in the capacity of Nominee of SREI (Srei Alternative Investment Managers Limited)

ii) **Change in Promoters' Shareholding (please specify, if there is no change): There is no change in Promoters' Shareholding.**

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding During the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the Beginning ofthe Year	-	-	-	-
	Date wise Increase /Decrease in Promoters Share holding during the year Specifying the Reasons forincrease /Decrease (e.g. Allotment /Transfer /Bonus/ Sweat Equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

iii) **Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholdingduring the year	
	For Each ofthe Top 10Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At theBeginning ofthe Year	-	-	-	-
	Date wise Increase /Decrease in Share holding during the year Specifying the Reasons for Increase /Decrease (e.g.Allotment /Transfer / Bonus/ Sweat Equityetc)	-	-	-	-
	At the End ofthe year (or onthe Date ofSeparation, ifSeparatedduring the year)	-	-	-	-

iv) **Shareholding of Directors:**

Sl. No.		Shareholding at the Beginning of the year,		Cumulative Shareholding during the year	
	For Each ofthe Directors	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At theBeginning ofthe Year	4	0.0012	4	0.0012

	Date wiseIncrease /Decrease inShare holding during the year Specifying the Reasons for Increase /Decrease (e.g. Allotment /Transfer / Bonus/ Sweat Equityetc);	-	-	-	-
	At the End ofthe year	4	0.0012	4	0.0012

 # The Shares held by Directors are in the capacity of Nominee of Srei Alternative Investment Managers Limited)

V. Indebtedness

Indebtedness of the Company, including Interest Outstanding/Accrued but not Due for Payments

	Secured Loans Excluding Deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the Financial Year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest Due but not Paid	-	-	-	-
iii)Interest Accrued but not Due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness, during the Financial Year • Addition • Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due, but not paid	-	-	-	
iii)Interest Accrued but not Due	-			
Total (i+ii+iii)				

VI. Remuneration of Directors

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total amount
1.	Gross Salary	-	-	-	-	-
	(a) Salary as per Provisions containedin section 17(1) of the Income-tax Act,1961	-	-	-	-	-
	(b) Value of Perquisites u/s 17(2)Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of Profit - others, specify...	-	-	-	-	-
5.	Others, Please Specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount(Rs.)
		Shri Solomon Arokiaraj, IAS,	Shri G. Sampath Kumar	Sri Ravindran Lakshmanan	
	1.Independent Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2.Other Non-Executive Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-

	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-			

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount(Rs.)
		Sri Shri Subrata Ghosh	Shri N. Rama Raju	Smt. Shilpa Modi	
	1.Independent Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2.Other Non-Executive Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-			

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount(Rs.)
		Shri Ashok Kumar Pareek	Shri Sanjay Jain	Shri Kallat Vatsa Kumar	
	1.Independent Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2.Other Non-Executive Directors • Fee for attending board / committee meetings • Commission	-	-	-	-

	• Others, please specify				
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-			

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. no.	**Particulars of Remuneration**	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary (a) Salary as per Provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of Perquisites U/s 17(2) Income-tax Act, 1961 (c) Profits in Lieu of Salary under section 17(3) Incometax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of Profit - Others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding Fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any, (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board
FOR HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED

Sd/-
SUBRATA GHOSH
Director
DIN: 0101864

Sd/-
N. RAMA RAJU
Director
DIN: 06972656

ANANT RAO & MALLIK
Chartered Accountants

Since 1983

B-409/410, Kushal Towers, Khairatabad, Hyderabad -500 004. Phone : 040-23320286 E-mail : anncas@gmail.com

APRIL 17, 2019

INDEPENDENT AUDITORS' REPORT

The Members
Hyderabad Information Technology Venture Enterprises Limited
Hyderabad

Report on the IND AS Financial Statements

Opinion :

We have audited the accompanying IND AS financial statements of **M/s. Hyderabad Information Technology Venture Enterprises Limited** ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the IND AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations (herein after referred to as "IND AS financial statements") given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the State of Affairs of the Company as at March 31, 2019, and its Loss (including other Comprehensive Income) for the year then ended, and its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion :

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the IND AS financial statements under the provisions of the Companies Act, 2013 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.

Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IND AS financial statements of the current period. These matters were addressed in the context of our audit of the IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibility of Management for the IND AS Financial Statements :

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the Balance Sheet (financial position), Profit or Loss (financial performance including Other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statement 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS financial statements.

Other Matter :

Current auditor to audit comparative information for adjustments to transition to IND AS The comparative financial information of the Company for the year ended 31st March 2019 and the transition date Opening Balance Sheet as at 1st April, 2017 included in these IND AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 are audited by the Current auditor whose report for the year ended 31st March 2018 and 31st March 2017 dated 24th April 2018 and 12th April 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the IND AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements :

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid IND AS financial statements comply with the 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

g) 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:

   1) Provision relating to Impact of pending litigations on its financial position in its IND AS financial statements – NIL ;

   2) Provision relating to Material Foreseeable Losses on Long-Term Contracts – Not Applicable. The company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the year end.

   3) The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the year.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S

sd/-
V ANANT RAO
Partner
Membership No. 022644

"ANNEXURE A" TO THE AUDITOR'S REPORT

Statement referred to in our report of even date to the members of **Hyderabad Information Technology Venture Enterprises Limited** on the IND AS financial statements for the year ended 31st March, 2019.

(i) As the Company does not have Fixed Assets, provisions of clause (i) of Para 3 of the said Order is not applicable to the Company.

(ii) As the Company has no inventory, provisions of clause (ii) of Para 3 of the said order is not applicable to the Company.

(iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (d) of paragraph 3 of the said order are not applicable to the Company.

(iv) The Company has not given any loan, guarantee or security. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the investments made.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Companies Act 2013 are not applicable to the Company.

(vii) a) According to the records of the Company, undisputed statutory dues including Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added tax or cess, Goods And Service Tax and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. The Provident Fund and Employees State Insurance Acts are not yet applicable to the company. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2019 for a period of more than six months from the date they became payable.

b) The Company is not having any disputed liabilities relating to Income Tax or Sales Tax or Wealth Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Goods And Service Tax or Cess as at the year end.

(viii) On the basis of our examination of records and according to the information and explanations given to us, the Company has not taken any loans / borrowings from Banks, Financial Institutions, Government or by issue of debentures. As such, clause (viii) of paragraph 3 of the said Order is not applicable to the company.

(ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor taken any term loan during the year. Therefore, clause (ix) of paragraph 3 of the said order is not applicable to the Company.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the IND AS financial statements materially misstated.

(xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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 the IND AS financial statements as required by the applicable accounting standards.

(xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.

(xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company

(xvi) On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S

Sd/-
V. ANANT RAO
Partner
Membership No. 022644

"ANNEXURE B" TO THE AUDITOR'S REPORT

To the Independent auditor's report of even date on the IND AS financial statements of "Hyderabad Information Technology Venture Enterprises Limited"

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hyderabad Information Technology Venture Enterprises Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls :

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors' Responsibility :

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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.

Opinion :

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting 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.

for ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S

Sd/-

V.ANANT RAO
Partner
Membership No. 022644

HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED

Balance Sheet as at March 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	2	-	-	-
(b) Financial Assets				
(i) Other Financial Assets	4(i)	0.26	0.16	0.16
(c) Income Tax Assets (Net)	3	4.31	4.29	4.78
Total Non - Current Assets		**4.57**	**4.45**	**4.94**
Current Assets				
(a) Financial Assets				
(i) Cash and Cash Equivalents	5	54.06	4.46	1.19
(ii) Bank Balance Other than Cash and Cash Equivalents	6	-	54.50	66.60
(iii) Other Financial Assets	4(ii)	-	1.77	0.10
(b) Other Current Assets	7	3.37	2.80	2.14
Total Current Assets		**57.43**	**63.53**	**70.03**
Total Assets		**62.00**	**67.98**	**74.97**
EQUITY AND LIABILITY				
(a) Equity Share Capital	8	25.00	25.00	25.00
(b) Other Equity	9	36.58	42.56	49.56
Total Equity		**61.58**	**67.56**	**74.56**
Total Non - Current Liabilities		**61.58**	**67.56**	**74.56**
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payable	10			
- Due to Micro, Small and Medium Enterprises		-	-	-
- Due to Others		0.42	0.42	0.41
Total Current Liabilities		**0.42**	**0.42**	**0.41**
TOTAL EQUITY AND LIABILITIES		**62.00**	**67.98**	**74.97**

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-
V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No.

HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue From Operations		-	
II.	Other Income	11	3.32	4.03
III.	**Total income (I+II)**		3.32	4.03
IV.	Expenses:			
	Employee Benefits Expense	12	4.91	4.91
	Other Expenses	13	4.39	6.12
	Total Expenses (IV)		9.30	11.03
V.	**Profit Before Exceptional Items and Tax (III-IV)**		(5.98)	(7.00)
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		(5.98)	(7.00)
VIII.	**Tax Expense**			
	Current Tax		-	-
	Deferred Tax		-	-
IX.	**Profit For The Year (VII-VIII)**		(5.98)	(7.00)
X.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss:			
	- Remeasurement of the defined benefit plans		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		-	-
XI.	**Total Comprehensive Income For The Year (IX + X)**		(5.98)	(7.00)
XII.	**Earnings Per Equity Share**	14		
	(of Rs. 10/- each)			
	Basic (Rs.)		(2.39)	(2.80)
	Diluted (Rs.)		(2.39)	(2.80)

The Accompanying Notes are an Integral part of the Financial Statements.

As per our report of even date Annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-
V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No.

HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED

Cash Flow Statement for the year ended March 31, 2019

	Particulars	Year Ended March 31, 2019 (Rs. In Lakhs)	Year Ended March 31, 2018 (Rs. In Lakhs)
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	(5.98)	(7.00)
	Adjustments for:		
	Interest Income	(3.32)	(4.01)
	Operating Profit before Working Capital Changes	**(9.30)**	**(11.01)**
	Decrease/(Increase) in other financial assets, Other current assets	(0.67)	(0.65)
	Cash generated from/(used in) Operating activities	**(9.97)**	**(11.66)**
	Direct Taxes paid (Net of refunds)	(0.02)	0.49
	Net Cash flow from/(used in) Operating Activities	**(9.99)**	**(11.17)**
B.	**Cash Flow from Investing Activities**		
	Fixed Deposits	54.50	12.10
	Interest received	5.09	2.34
	Net Cash flow from/(used in) Investing activities	**59.59**	**14.44**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issuance of share warrants	-	-
	Repayment of Share Warrant	-	-
	Proceeds from long term borrowings	-	-
	Proceeds from/(Repayment of) short term borrowings (net)	-	-
	Interest paid	-	-
	Net Cash Flow from/(used in) Financing Activities	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	49.60	3.27
	Opening Cash and Cash Equivalents	4.46	1.19
	Closing Cash and Cash Equivalents (refer note no. 5)	**54.06**	**4.46**

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 "Cash Flow Statements".

2 Cash and cash equivalents do not include any amount which is not available to the Companies for its use.

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-
Partner
Partner
Membership No. 022644
Place : Hyderabad.
Date: 13th April, 2019.

For and on behalf of the Board of Directors

Sd/-
Director
Din No

Sd/-
Director
Din No.

Statement of Changes in Equity of HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED AS ON MARCH 31, 2019

A. Equity Share Capital

(Rs. in Lakhs)

Particulars	As at April 1, 2017	Issued/ (reduction) during the year 2017-18	As at March 31, 2018	Issued/ (reduction) during the year 2018-19	As at March 31, 2019
Equity Share Capital	25.00	-	25.00	-	25.00

B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus		Total
	Other Comprehensive Income	Retained Earnings (Surplus in statement of P&L)	
IGAAP Balance as at April 1, 2017	-	55.11	55.11
Transition Adjustments	-	-	-
Balance as at April 1, 2017	-	55.11	55.11
Profit for the year ended March 31, 2018	-	(7.00)	(7.00)
Other Comprehensive Income	-	-	-
Balance as at March 31, 2018	-	48.11	48.11
Profit for the year ended March 31 2019		(5.98)	(5.98)
Balance as at March 31, 2019	-	42.13	42.13

Retained Earnings

The reserve represent the cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-
V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

Sd/-
Director
Din No. 01018614
(SUBRATA GHOSH)

Sd/-
Director
Din No. 06972656
(N. RAMA RAJU)

2 **Property, Plant and Equipment**

(Rs. in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Office Equipment	-	-	-	-	-	-	-	-	-
Computer Hardware	-	-	-	-	-	-	-	-	-
Total Tangible assets	-	-	-	-	-	-	-	-	-

(Rs. in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Office Equipment	-	-	-	-	-	-	-	-	-
Computer Hardware	-	-	-	-	-	-	-	-	-
Total Tangible assets	-	-	-	-	-	-	-	-	-

3 Income Tax Asset (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & Tax Deducted At Source	4.31	4.29	4.78
Total	**4.31**	**4.29**	**4.78**

4(i) Other Financial Assets - Non Current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Contribution to HITVEL Venture Capital Trust	0.10	0.10	0.10
Security Deposit	0.06	0.06	0.06
Dotcom Computers	0.10	-	-
Total	**0.26**	**0.16**	**0.16**

4(ii) Other Financial Assets - Current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on Fixed Deposits	-	1.77	0.10
Total	**-**	**1.77**	**0.10**

5 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.06	0.07	0.10
Balance with banks	53.00	0.39	1.09
Deposits with original maturity less than three months	1.00	4.00	-
Total	**54.06**	**4.46**	**1.19**

6 Bank Balance Other than Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with banks (Upto 12 months maturity)	-	54.50	66.60
Total	**-**	**54.50**	**66.60**

7 Other Current Assets - Current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance with Statutory Authorities (GST)	3.37	2.80	2.14
Total	**3.37**	**2.80**	**2.14**

HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS

8 Equity Share Capital

(Rs. in Lakhs)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	(Rs. in Lakh)	Number of Shares	(Rs. in Lakh)	Number of Shares	(Rs. in Lakh)
Authorised Share Capital 2,50,000 Equity Shares of Rs. 10/- each	250,000	25.00	250,000	25.00	250,000	25.00
		25.00		**25.00**		**25.00**
Issued, Subscribed and Paid up Capital 2,50,000 Equity Shares of Rs. 10/- each	250,000	25.00	250,000	25.00	250,000	25.00
		25.00		**25.00**		**25.00**

8.1 The reconciliation of the number of shares outstanding at the beginning and at the end of year/period has been shown in the table below:

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	Rs. In lakhs	Number of Shares	Rs. In lakhs	Number of Shares	Rs. In lakhs
Shares outstanding at the beginning of the year	250,000	25.00	250,000	25.00	250,000	25.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	**250,000**	**25.00**	**250,000**	**25.00**	**250,000**	**25.00**

Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after

8.2 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	% holding of equity shares	Number of Shares	% holding of equity shares	Number of Shares	% holding of equity shares
Fully paid equity shares						
Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited (Holding Company)) *	127,500	51%	127,500	51%	127,500	51%
Small Industries Development Bank of India	61,250	24.50%	61,250	24.50%	61,250	24.50%
Andhra Pradesh Industrial Development Corporation Limited	40,425	16.17%	40,425	16.17%	40,425	16.17%
Andhra Pradesh Industrial Infrastructure Corp Limited	20,825	8.33%	20,825	8.33%	20,825	8.33%

* Includes 6 Equity Shares held by nominees on behalf of Srei Alternative Investment Managers Limited.

8.3 Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	Amount Rs. In lakhs	Number of Shares	Amount Rs. In lakhs	Number of Shares	Amount Rs. In lakhs
Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited (Holding Company)) *	127,500	12.75	127,500	12.75	127,500	12.75

8.4 The Company during the preceding 5 years:

i Has not allotted shares pursuant to contracts without payment received in cash.

ii Has not issued shares by the way of bonus shares.

iii Has not bought back any shares.

HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED
NOTES TO FINANCIAL STATEMENTS

9 Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Retained Earnings			
Balance as per last accounts	42.56	49.56	55.11
Net Profit/(Loss) for the Year	(5.98)	(7.00)	(5.55)
Closing Balance (a)	**36.58**	**42.56**	**49.56**
b)Other comprehensive income			
Balance as per last accounts	-	-	-
Add: Other comprehensive income for the year	-	-	-
Closing Balance (b)	-	-	-
Total (a+b)	**36.58**	**42.56**	**49.56**

10 Trade Payables

(Rs. in Lakhs)

(A) Due to Micro, Small and Medium Enterprises

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

(B) Due to Others

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For Services	0.42	0.42	0.41
Total	**0.42**	**0.42**	**0.41**

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

HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED
NOTES TO FINANCIAL STATEMENTS

11 Other Income

Particulars	Year Ended March 31, 2019 Rs. in lakhs	Year Ended March 31, 2018 Rs. in lakhs
Interest on Fixed Deposits	3.32	4.01
Interest on Income Tax refund	-	0.02
Total	**3.32**	**4.03**

12 Employee Benefits Expense

Particulars	Year Ended March 31, 2019 Rs. in lakhs	Year Ended March 31, 2018 Rs. in lakhs
Salaries, wages, bonus and allowances	4.91	4.91
Total	**4.91**	**4.91**

13 Other Expenses

Particulars	Year Ended March 31, 2019 Rs. in lakhs	Year Ended March 31, 2018 Rs. in lakhs
Legal & Professional Fees	1.10	1.07
Travelling and Conveyance	1.21	2.31
Rent	1.42	1.39
Filing Fees	0.04	0.06
Repairs & Maintenance- Others	0.14	0.17
Communication Expenses	0.22	0.26
Advance Written off	-	0.42
Payment to Auditors :		
-Fees for Statutory Audit	0.10	0.10
Director's Sitting Fees	-	0.02
Miscellaneous Expenses	0.16	0.32
Total	**4.39**	**6.12**

14 Income Tax Expenses

Particulars	Year Ended March 31, 2019 Rs. in lakhs	Year Ended March 31, 2018 Rs. in lakhs
Current tax		
-Tax for earlier year	-	-
-Current Tax	-	-
Total Current Tax	-	-
Deferred tax	-	-
Total Deferred Tax		
Total	-	-

15 Earnings per Share
Basic and Diluted Earnings per Share

S.No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Net Profit/ (Loss) after tax attributable to Equity Shareholders (Rs. In Lakh)	(5.98)	(7.00)
2	Weighted average number of Equity Shares Basic (Nos.)	250,000.00	250,000.00
3	Weighted average number of Potential Equity Shares (Nos.)	250,000.00	250,000.00
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	(2.39)	(2.80)
6	Diluted Earnings per share (Rs)	(2.39)	(2.80)

16 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

(ii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Reconciliation of Total Equity as previously reported under Previous GAAP to IND AS:

(Rs. In Lakh)

Particulars	Note	As at March 31, 2018	As at April 1, 2017
Equity as reported under previous GAAP		42.56	49.56
Adjustments:			
Impact of Ind AS		-	-
Equity as reported under Ind AS		42.56	49.56

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018.

(Rs. In Lakh)

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		(7.00)
Adjustments:		
Impact due to change in employee benefit expenses		-
Total adjustments		-
Profit After Tax as per Ind AS		(7.00)
Other Comprehensive Income		-
Comprehensive Income as reported under Ind AS		(7.00)

17 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use to fund working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations and money raised through issue of equity share to the shareholders.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

18 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 1 to the financial statements.

A) Categories of Financial Instruments
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
(i) Cash and Cash Equivalents	54.06	54.06	4.46	4.46	1.19	1.19
(ii) Bank Balance Other than Cash and Cash Equivalents	-	-	54.50	54.50	66.60	66.60
(iii) Other Financial Assets	0.26	0.26	1.93	1.93	0.26	0.26
Total financial assets	54.32	54.32	60.89	60.89	68.05	68.05
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	0.42	0.42	0.42	0.42	0.41	0.41
Total financial liabilities	**0.42**	**0.42**	**0.42**	**0.42**	**0.41**	**0.41**

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.

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 include cash, cash equivalents, Other Bank Balance, Loans, Trade and other receivables.

Trade and Other Payables
Trade payables that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments includes Trade & Other payables.

19 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

B) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company is not exposed to market risk as it has no borrowed fund and it do not indulge in transaction involving foreign currencies. The current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

i) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events. The objectives of the Company's liquidity risk management processes are to lessen the impact of liquidity risk by minimizing mismatch in timing of cash flow.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(Rs. In Lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial assets						
a) Measured at amortised cost						
(i) Cash and Cash Equivalents	54.06	-	4.46	-	1.19	-
(ii) Bank Balance Other than Cash and Cash Equivalents	-	-	54.50	-	66.60	-
(iii) Other Financial Assets	-	0.26	1.77	0.16	0.10	0.16
Total financial assets	**54.06**	**0.26**	**60.73**	**0.16**	**67.89**	**0.16**
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	0.42	-	0.42	-	0.41	-
Total financial liabilities	**0.42**	**-**	**0.42**	**-**	**0.41**	**-**

ii) Credit risk

Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations. The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED
NOTES TO FINANCIAL STATEMENTS

20 **Related Party Disclosures**

a) **Related Parties**

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
2	Srei Factors Private Limited (w.e.f. 02.01.2019)	India
C	**Intermediate Holding Company**	
3	Srei Infrastructure Finance Limited (SIFL)	India
D	**Holding Company**	
4	Srei Alternative Investment Managers Limited	India
E	**Investor having significant influence**	
5	Small Industries Development Bank of India	India
F	**Fellow Subsidiaries:**	
6	Srei Mutual Fund Asset Management Private Limited	India
7	Srei Capital Markets Limited	India
8	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
9	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
10	Srei Mutual Fund Trust Private Limited	India
11	Srei Insurance Broking Private Limited	India
12	Controlla Electrotech Private Limited	India
13	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
14	Quippo Oil & Gas Infrastructure Limited (ceased to be a fellow subsidiary w.e.f. 31.03.2019)	India
15	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd.) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to a fellow sub-subsidiary w.e.f. 31.03.2019)	India
16	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
17	Srei Equipment Finance Limited	India
18	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
G	**Fellow Associates**	
19	Sahaj e-Village Limited	India
20	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate	India
21	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International	Germany
22	AO International Infrastructure Services, Russia (Formerly AO Srei Leasing Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
23	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
24	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
H	**Others**	
25	Srei Mutual Fund Trust	India
26	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
I	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
27	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
J	**Key Management Personnel (KMP)/Directors:**	**Designation**
28	Mr. Solomon Arokiaraj	Director
29	Mr. Sidharth Jain Fouzdar (upto 08.02.2018)	Director
30	Mr. Kartikeya Misra (upto 05.07.2017)	Director
31	Mr. E. Venkat Narsimha Reddy (upto 29.11.2017)	Director
32	Mr. G. Sampath Kumar (upto 08.02.2019)	Director
33	Mr. Ravindram A Lakshmanan (upto 08.02.2019)	Director
34	Mr. Subrata Ghosh	Director
35	Mr. N. Rama Raju	Director
36	Ms. Shilpa Modi	Director
37	Mr. Ashok Kumar Pareek (w.e.f 12.05.2019)	Director
38	Mr. Sanjay Jain (w.e.f. 08.02.2019)	Director
39	Mr. Kallat Vatsa Kumar (w.e.f. 08.02.2019)	Director
K	**Intermediate Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
40	Mr. Hemant Kanoria	Chairman - Holding Company
41	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
42	Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director - Holding Company
43	Mr. S.Rajagopal	Independent Director - Holding Company
44	Mr. S.Chatterjee	Independent Director - Holding Company
45	Dr. Punita Kumar Sinha	Independent Director - Holding Company
46	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
47	Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category – Independent) - Holding Company
48	Mr Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY – Non Executive Non Independent)- Holding Company
49	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
50	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
51	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
52	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
53	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
54	Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer - Holding Company
55	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
56	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President - Holding Company
57	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Internal Auditor - Holding Company
58	Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director - Holding Company
59	Mr. T.C.A. Ranganathan (Upto 07.12.2017)	Independent Director - Holding Company
L	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
60	Mr. Shashi Bhushan Tiwari	Non- Executive Director
61	Mr. Sanjeev Sancheti	Non- Executive Director
62	Mr. Chandra Shekhar Samal	Non- Executive Director
63	Mr. Susil Kumar Pal	Non- Executive Director
64	Mr. Raghunath Mishra	Company Secretary

20 Related Party Transaction

b) Summary of Transactions with Related Parties

(Rs in Lakhs)

Key Management Personnel		Year ended March 31, 2019	Year ended March 31, 2018
E. Venkat Narsimha Reddy	Director's Sitting Fee	-	-
Mr. G. Sampath Kumar	Director's Sitting Fee	-	0.01
Mr. Ravindram A Lakshmanan	Director's Sitting Fee	-	0.01

21 Contingent Liabilities & Capital Commitment as on March 31, 2019 – Nil (March 31, 2018 - Nil, April, 2017 - Nil).

22 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Asset Management Services.

23 Figures pretaining to the previous year have been reatranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current reporting year.

As per our report of even date annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-
V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No.

HYDERABAD INFORMATION TECHNOLOGY VENTURE ENTERPRISES LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Hyderabad Information Technology Venture Enterprises Limited (the "Company") is domiciled and incorporated in India. 'Parishram Bhavan,' First Floor, Fateh Maidan Road, Basheer Bagh, Hyderabad, Telanagna, India – 500 004.

The Company is engaged in Asset Management Services.

(B) Recent Pronouncement

The Company has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective
Ind AS 116-

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

.Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(C) Statement of Compliance
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 16.

(D) First Time Policy Choices

i) De-recognition of financial assets and financial liabilities
The Company has applied the De-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2017 (the transition date).

ii) Classification of debt instruments
The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

iii) Deemed cost for property, plant and equipment and intangible assets
The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iv) Equity investments at FVTOCI
The Company has designated investment in equity shares at FVTOCI on the basis of facts and circumstances that existed at the transition date.

(E) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.17 Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Investments in subsidiaries, associates and joint ventures

Investment in associates and joint ventures are accounted for at cost. Cost is arrived at on weighted average method for the purpose of valuation of investments.

Equity Investment in subsidiaries are carried at cost less accumulated impairment, if any.
When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.4. Revenue

Income from Asset Management Services is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers.

Income from Consultancy is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.5. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6. Foreign Currency Transactions

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

Non-Financial Instruments – foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:

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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:

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

1.7. Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their

intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.8. Employee Benefits

Defined Contribution Plans
Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:
Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.9. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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

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

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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

Leasehold assets including improvements are amortised over the period of the lease. Freehold Land is not depreciated.

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

1.10. Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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

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

1.11. Impairment of Assets
Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.12. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

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

1.13. Taxes on Income

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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.15. Provisions

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets

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

1.16. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Asset Management Services.

1.17. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Useful lives of property, plant and equipment and intangible assets:**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) **Fair value measurements and valuation processes:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.18. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.19. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company have pleasure in presenting the Twentieth Annual Report together with the Audited Financial Statement of your Company, for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS AND OPERATIONS

(Rupees in Lakhs)Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Total Income	0.42	0.41
Total Expenditure	0.37	0.38
Profit / (Loss) Before Depreciation	0.05	0.03
Depreciation	-	-
Profit / (Loss) Before Bad Debts / Provision and Tax	0.05	0.03
Bad Debts / Provisions etc.	-	-
Profit / (Loss) Before Tax	0.05	0.03
Provision for Current Tax	0.02	0.01
Income Tax in respect of earlier years	-	-
Profit / (Loss) After Tax	**0.03**	**0.02**
Balance brought forward from previous year	**1.16**	1.14
Balance carried to Balance Sheet	**1.19**	1.16
Paid up Equity Share Capital	5.00	5.00
Amount transferred to Reserves	**1.19**	**1.16**

REVIEW OF OPERATIONS

The Company has not made any fresh investments and is making all out efforts to recover the Investments made prior to the year 2005

During the year under review, initiatives for recovery of Investments made prior to 2005, are in process. Net Profit Increase of Rs.0.01 Lakh before Tax, in comparison to that of the Previous Year.

The Earning Per share increased to Rs.0.06 per Share, as compared to Rs.0.05 per share during the Previous Year.

The Company has generated Rs 0.42 Lakh Revenue against the Total Expenditure of Rs.0.37 Lakh which resulted in a Profit after Tax, amounting to Rs.0.03 Lakh as compared to the Previous Year's Profit of Rs 0.02 Lakh.

DIVIDEND

In view of the Loss incurred during the year under review, the Board of Directors of your Company has not recommended any Dividend for the Financial Year 2018-19.

Parisrama Bhavanam, 5-9-98/B, 1st Floor, Fateh Maidan Road, Basheerbagh, Hyderabad, A.P - 500 004, India.
Tel: +91 40 6524 3693, +91 40 2323 7995, Fax: +91 40 2323 5516, E-mail: business@hitvel.co.in

TRANSFER TO RESERVES

The Company has Transferred an amount of Rs.0.03 Lakh, to General Reserve.

SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Ventures and Associate Company as required to be Disclosed in terms of Provisions of Section 134(3)(q), of the Companies Act, 2013, read with Rule 8(5) (iv) the Companies (Accounts) Rules, 2014, and hence Disclosure is not required.

PUBLIC DEPOSITS

The Company has not Invited or Accepted Deposits from the Public, covered under Section 73 of the Companies Act, 2013, and The Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company has no activities, relating to Conservation of Energy and Technology Absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) the Companies (Accounts) Rules, 2014. However, your Company uses Information Technology extensively in its operations and also continues its endeavour to improve Energy Conservation and Utilization, Safety and Environment.

Your Company has not utilized or Earned any Foreign Exchange, during the year ended, 31st March, 2019 (Previous Year – Nil).

DIRECTOR & KEY MANAGERIAL PERSONNEL

DIRECTORS

In accordance with the Provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Shri Ashok Kumar Pareek and Shri N. Ramaraju Directors of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for Re-appointment.

The Board, therefore, recommends the Re-appointment of Shri Ashok Kumar Pareek and Shri N. Ramaraju Directors of your Company

Further, during the financial year under Review the following Appointment, Re-appointment, Change in Designation, Resignation of Directors have occurred:

1) Appointment of Shri Sanjay Jain, as Nominee Director of SIDBI, on the Board of the Company.
2) Appointment of Shri Kallat Vatsa Kumar as Nominee Director of SIDBI, on the Board of the Company.
3) Cessation of Shri. G. Sampath Kumar, as Nominee Director, consequent to the Withdrawal of the Nomination by SIDBI.

4) Cessation of Shri Ravindran Lakshmanan as Nominee Director, consequent to the Resignation of the Nomination by SIDBI.

KEY MANAGERIAL PERSONNEL

As per the Provisions of Section 203 of the Companies Act, 2013 (the Act) read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company and every other Public Company, having a Paid-up Share Capital of Ten Crore Rupees or more shall have a Whole-Time KMP's namely, (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director; (ii) Company Secretary; and (iii) Chief Financial Officer. Your Company is not required to appoint any Whole-Time KMP, as the Paid-up Share Capital of the Company, is Less than the Limit, as prescribed.

MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2018-19, Four Meetings of the Board of Directors of the Company were held on the following dates:

Date of Board Meeting	Directors Present
24th April , 2018	1. Sri Subrata Ghosh 2. Sri Ashok Kumar Pareek 3. Smt. Shilpa Modi
23rd July ,2018	1. Sri Subrata Ghosh 2. Sri Ramaraju Namburi 3. Smt. Shilpa Modi
10th October , 2018	1. Sri Subrata Ghosh 2. Sri Ashok Kumar Pareek 3. Sri Ramaraju Namburi
10th January, 2019	1. Sri Subrata Ghosh 2. Sri Ashok Kumar Pareek 3. Smt. Shilpa Modi

PARTICULARS OF EMPLOYEES

The Disclosure pursuant to the Provisions of Section 134(3)(q) of the Companies Act, 2013, read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In the Financial Year 2018-19, the Company has not given any Loan, Guarantee or made any Investments exceeding Sixty per cent of its Paid-up Share Capital, Free Reserves and Securities Premium Account, or One Hundred Per cent of its Free Reserves and Securities Premium Account, whichever is higher, as prescribed under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return for the Financial Year ended March 31, 2019, in Form No. MGT-9 is Annexed and Forms part of this Board of Director's Report.

RISK MANAGEMENT POLICY

The Company has proper procedures in place for development and implementation of a Risk Management Policy for the Company including identification therein, of elements of Risk, if any, which in the Opinion of the Board, may threaten the Existence of the Company.

MATERIALCHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no Material Changes and Commitments, affecting the Financial Position of the Company, which have occurred between the End of the Financial Year of the Company, to which the Financial Statements relate and the Date of the Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no Significant and Material Orders has been passed by Regulators, or Courts or Tribunals, impacting the Going Concern Status and Company's Operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Provisions of Section 134(5) of the Companies Act, 2013 (Act), read with relevant Rules made thereunder, your Directors confirm that:

(i) in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2019, the applicable Accounting Standards had been followed, along with proper explanation relating to Material departures;

(ii) they have selected such Accounting Policies and applied them Consistently and made Judgments and Estimates, 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 and of the Loss of your Company, for that period;

(iii) they have taken proper and sufficient care for the Maintenance of Adequate Accounting Records, in accordance with the Provisions of this Act, for Safeguarding the Assets of your Company and for Preventing and Detecting Fraud and other Irregularities;

(iv) they have prepared the Annual Accounts for the Financial Year ended 31st March, 2019, on a Going Concern Basis; and

(v) they have devised proper Systems to ensure Compliance with the Provisions of all applicable Laws and that, such Systems were Adequate and Operating Effectively.

Further, your Directors confirm that your Company, has adequate Internal Systems and Controls in place, to ensure Compliance of Laws, applicable to your Company.

AUDITORS AND AUDITORS' REPORT

On the recommendation of the Board of Directors of your Company, the Members at their Annual General Meeting held on 29th September, 2014, appointed Messrs Anant Rao & Mallik, Chartered Accountants, having Registration No. 006266S, allotted by the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company for a term of Five Years, who shall hold the Office until the Conclusion of the Twenty Second Annual General Meeting of the Company, in accordance with Section 139(1) and other applicable Provisions, if any, of the Companies Act, 2013.

In terms of the Provisions of Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to such Appointment of Auditors for Ratification by Members at every Annual General Meeting of the Company. Your Company has received Confirmation from the said Auditor, that their Appointment is within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013. The Board of Directors Recommends to the Members for Ratification of Appointment of Messrs Anant Rao & Mallik, Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company, at the ensuing Annual General Meeting of the Company.

As regards Observations contained in the Auditors' Report, the respective Notes to the Accounts are self-explanatory and, therefore, do not call for further Comments.

ACKNOWLEDGEMENTS

Your Directors place on record their Gratitude and Appreciation for the continued Cooperation and Excellent Support received from SREI, Small Industries Development Bank of India (SIDBI), Andhra Pradesh Industrial Development Corporation (APIDC) and Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC).

Your Directors also wish to place on record their Appreciation, for the Sincere Contributions received from the Employees of the Company in enabling it to achieve the Performance during the year under Review and the Valuable Co-operation and Continuous Support extended by the Bankers, Consultants, Stakeholders, Strategic Investor, various Government and Statutory Authorities and other Business Associates.

On behalf of the Board of Directors
CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED

	Sd/-	Sd/-
Place: Hyderabad.	**SUBRATA GHOSH**	**N. RAMA RAJU**
Date: 17th April, 2019.	**Director**	**Director**
	DIN: 0101864	**DIN: 06972656**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN:	U72200TG1999PTC033128
ii)	Registration Date	23/12/1999
iii)	Name of the Company	CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED
iv)	Category / Sub-Category of the Company	Private Company and Subsidiary of Public Company
v)	Address of the Registered office and contact details	5-9-58/B, Parisrama Bhavanam, Basheerbagh, Hyderabad, Telangana-500004
vi)	Whether listed Company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. Principal business activities of the Company

Business activities contributing 10 % or more of the Total Turnover of the Company are:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to Total Turnover of the Company
	Trusteeship Services	6430	Nil

III. Particulars of holding, subsidiary and associate companies

S. N0	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SREI Alternative Investment Managers Limited (formally known as SREI Ventures Capital Limited	U65999WB1994PLC065722	Holding	51%	2(46) of Companies Act, 2013

IV. Share holding pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the Beginning of the Year				No. of Shares held at the End of the Year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									

(1) **Indian**									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	4165	4165	8.33	-	4165	4165	8.33	-
d) Bodies Corp.	-	25500	25500	51.00	-	25500	25500	51.00	-
e) Banks / FI	-	20335	20335	40.67	-	20335	20335	40.67	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**50,000**	**50,000**	**100**	-	**50,000**	**50,000**	**100**	-
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	**50,000**	**50,000**	**100**	-	**50,000**	**50,000**	**100**	-
B. **Public Shareholding**									
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.**Non-Institutions**	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-

i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**50,000**	**50,000**	**100**	-	**50,000**	**50,000**	**100**	-

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	%changein shareholdingduringtheyear
1	SREI -Srei Alternative Investment Manager Limited	25500	51.00	-	25500	51.00	-	-
2	SIDBI- Small Industries Development Bank of India	12250	24.50	-	12250	24.50	-	-
3	APIDC- Andhra	8085	16.17	-	8085	16.17	-	-

	Pradesh Industrial Development Corporation Limited							
4	APIIC- Andhra Pradesh Industrial Infrastructure Corporation Limited	4165	8.33	-	4165	8.33	-	-
	Total	**50000**	**100**	**-**	**50000**	**100**	**-**	**-**

iii) Change in Promoters' Shareholding (Please Specify, if there is No Change) : There is no change in Promoters' Shareholding

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding During the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning oft he year	-	-	-	-
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding During the Year	
	For Each of the Top 10 Shareholders	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the Beginning of the Year	-	-	-	-
	Date wise Increase /Decrease in Share holding during the year Specifying the reasons for increase /decrease (e.g. Allotment /Transfer / Bonus / Sweat Equity etc):	-	-	-	-
	At the End of the Year (or on the date of Separation, if separated during the year)	-	-	-	-

v) Shareholding of Directors:

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding During the Year	
	For Each of the Directors	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the Beginning of the Year	-	-	-	-
	Date wise Increase /Decrease in Share holding	-	-	-	-

	during the year Specifying the reasons for increase /decrease (e.g. Allotment /Transfer / Bonus / Sweat Equity etc):				
	At the End of the Year (or on the date of Separation, if separated during the year)	-	-	-	-

V. Indebtedness

Indebtedness of the Company including Interest Outstanding/Accrued but not Due for Payments

	Secured Loans Excluding Deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the Beginning of the Financial Year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest Due but not Paid	-	-	-	-
iii)Interest Accrued but Not Due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the Financial Year • Addition • Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest Due but Not Paid	-	-	-	-
iii)Interest Accrued but Not Due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	**Particulars of Remuneration**	**Name of MD/WTD/ Manager**				**Total Amount**
1.	Gross Salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1), of the Income-tax Act,1961	-	-	-	-	-
	(b) Value of Perquisites U/s 17(2)Income-Tax Act, 1961	-	-	-	-	-
	(c) Profits in Lieu of Salary Under Section 17(3) Income-tax Act, 1961.	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of Profit - Others, Specify...	-	-	-	-	-

5.	Others, please Specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

B. Remuneration to Other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount(Rs.)
		Shri Solomon Arokiaraj, IAS,	Shri G. Sampath Kumar	Sri Ravindran Lakshmanan	
	1.Independent Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2.Other Non-Executive Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-			

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount(Rs.)
		Sri Shri Subrata Ghosh	Shri N. Rama Raju	Smt. Shilpa Modi	
	1.Independent Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2.Other Non-Executive Directors • Fee for Attending Board / Committee	-	-	-	-

	Meetings • Commission • Others, please specify				
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-			

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount(Rs.)
		Shri Ashok Kumar Pareek	Shri Sanjay Jain	Shri Kallat Vatsa Kumar	
	1.Independent Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2.Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-			

C. Remuneration to Key Managerial Personnel, other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary (a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of Perquisites U/Sec 17(2) Income-tax Act, 1961, (c) Profits in Lieu of Salary, Under Section 17(3) Income tax	-	-	-	-

	Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of Profit - Others, Specify...	-	-	-	-
5.	Others, please Specify	-	-	-	-
	Total	-	-	-	-

VII. Penalties / Punishment/ Compounding of Offences

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding Fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the Board of Directors
CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED

SUBRATA GHOSH
Director
DIN: 0101864

N. RAMA RAJU
Director
DIN: 06972656

ANANT RAO & MALLIK
Chartered Accountants

B-409/410, Kushal Towers, Khairatabad, Hyderabad -500 004, Phone : 040-23320286 E-mail : armcas@gmail.com

APRIL 17, 2019

INDEPENDENT AUDITORS' REPORT

The Members
Cyberabad Trustee Company Private Limited
Hyderabad

Report on the Ind As Financial Statements

Opinion :

We have audited the accompanying Ind As financial statements of **M/s. Cyberabad Trustee Company Private Limited** ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind As financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations (herein after referred to as "Ind AS financial statements") given to us, the aforesaid Ind As financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2019, its Profit (including other Comprehensive Income) for the year then ended, and its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion :

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the Ind As financial statements under the provisions of the Companies Act, 2013 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.

Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind As financial statements of the current period. These matters were addressed in the context of our audit of the Ind As financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibility of Management for the Ind As Financial Statements :

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind As financial statements that give a true and fair view of the Balance Sheet (financial position), Profit or Loss (financial performance including other comprehensive income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind As financial statement 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind As financial statements.

Other Matter :

Current auditor to audit comparative information for adjustments to transition to Ind As The comparative financial information of the Company for the year ended 31st March 2019 and the transition date opening balance sheet as at 1st April 2017 included in these Ind As financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 are audited by the Current auditor whose report for the year ended 31st March 2019 and 31st March 2018 and 31st dated 24th April 2018 and 12th April 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind As, which have been audited by us.

Report on Other Legal and Regulatory Requirements :

As per the information and explanation provided to us, the provisions mentioned in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016 issued by the Government of India in terms of section 143 sub-section (11) of the Companies Act, 2013 are not applicable.

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.

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind As financial statements comply with the 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) Reporting with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, is not applicable to the company.

g) 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:

1) Provision relating to Impact of pending litigations on its financial position in its Ind AS financial statements – NIL ;

2) Provision relating to Material Foreseeable Losses on Long-Term Contracts – Not Applicable. The company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the year end.

3) The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the year.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Regn. No. 006266S

Sd/-

V ANANT RAO
Partner
Membership No. 022644

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED

Balance Sheet as at March 31, 2019

(Rs in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Non Current Assets				
(a) Income Tax Assets (Net)	2	0.01	-	-
Total Non - Current Assets		0.01	-	-
Current Assets				
(a) Financial Assets				
(i) Cash and Cash Equivalents	3	0.16	0.14	0.12
(ii) Bank Balance Other than Cash and Cash Equivalents	4	5.70	5.70	5.70
(iii) Other Financial Assets	5	0.40	0.39	0.44
Total Current Assets		6.26	6.23	6.26
Total Assets		6.27	6.23	6.26
EQUITY AND LIABILITY				
(a) Equity Share Capital	6	5.00	5.00	5.00
(b) Other Equity	7	1.19	1.16	1.14
Total Equity		6.19	6.16	6.14
Total Non - Current Liabilities		6.19	6.16	6.14
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payable	8			
- Due to Micro, Small and Medium Enterprises		-	-	-
- Due to Others		0.06	0.06	0.06
(b) Income Tax Liability (Net)	9	0.02	0.01	0.06
Total Current Liabilities		0.08	0.07	0.12
TOTAL EQUITY AND LIABILITIES		6.27	6.23	6.26

The Accompanying Notes are an Integral part of the Financial Statements.

As per our report of even date Annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-

V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

sd/-
Director
Din No

sd/-
Director
Din No. :

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue From Operations		-	-
II.	Other Income	10	0.42	0.41
III.	**Total Income (I+II)**		0.42	0.41
IV.	**Expenses:**			
	Other Expenses	11	0.37	0.38
	Total Expenses (IV)		0.37	0.38
V.	**Profit Before Exceptional Items and Tax (III-IV)**		0.05	0.03
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		0.05	0.03
VIII.	**Tax Expense**			
	Current Tax	12	0.02	0.01
	Deferred Tax		-	-
IX.	**Profit For The Year (VII-VIII)**		0.03	0.02
X.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss: - Remeasurement of the defined benefit plans		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		-	-
XI.	**Total Comprehensive Income For The Year (IX + X)**		0.03	0.02
XII.	**Earnings Per Equity Share**	13		
	(of Rs. 10/- each)			
	Basic (Rs.)		0.06	0.05
	Diluted (Rs.)		0.06	0.05

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-

V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No.

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2019

	Particulars	Year Ended March 31, 2019 (Rs. In Lakhs)	Year Ended March 31, 2018 (Rs. In Lakhs)
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	0.05	0.03
	Adjustments for:		
	Interest Income	(0.42)	(0.41)
	Liability no longer required written back	-	-
	Operating Profit before Working Capital Changes	(0.37)	(0.38)
	Decrease/(Increase) in trade receivables, loans, advances and other assets	(0.01)	-
	Cash generated from/(used in) Operating activities	(0.38)	(0.38)
	Direct Taxes paid (Net of refunds)	-	(0.06)
	Net Cash flow from/(used In) Operating Activities	(0.38)	(0.44)
B.	**Cash Flow from Investing Activities**		
	Interest received	0.40	0.46
	Net Cash flow from/(used in) Investing activities	0.40	0.46
C.	**Cash Flow from Financing Activities**		
	Net Cash Flow from/(used in) Financing Activities	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	0.02	0.02
	Opening Cash and Cash Equivalents	0.14	0.12
	Closing Cash and Cash Equivalents (refer note no. 3)	0.16	0.14

The Accompanying Notes are an Integral part of the Financial Statements.

As per our report of even date Annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-

V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No.

Statement of Changes in Equity of CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED AS ON MARCH 31, 2019

A. Equity Share Capital

(Rs. in Lakhs)

Particulars	As at April 1, 2017	Issued/ (reduction) during the year 2017-18	As at March 31, 2018	Issued/ (reduction) during the year 2018-19	As at March 31, 2019
Equity Share Capital	5.00	-	5.00	-	5.00

B. Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus		Total
	Other Comprehensive Income	Retained Earnings (Surplus in statement of P&L)	
IGAAP Balance as at April 1, 2017	-	1.14	1.14
Transition Adjustments	-	-	-
Balance as at April 1, 2017	-	1.14	1.14
Profit for the year ended March 31, 2018	-	0.02	0.02
Other Comprehensive Income	-	-	-
Balance as at March 31, 2018	-	1.16	1.16
Profit for the year ended March 31, 2019		0.03	0.03
Balance as at March 31, 2019	-	1.19	1.19

Retained Earnings

The reserve represent the cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-

V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No.

2 Income Tax Asset (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & Tax Deducted At Source	0.01	-	-
Less: Provision for Tax	-	-	-
Total	0.01	-	-

3 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance with banks	0.16	0.14	0.12
Total	0.16	0.14	0.12

4 Bank Balance Other than Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with banks (Upto 12 months maturity)	5.70	5.70	5.70
Total	5.70	5.70	5.70

5 Other Financial Assets - current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	Current	Current	Current
Interest accrued but not due on Fixed Deposits	0.40	0.39	0.44
Total	0.40	0.39	0.44

6 Equity Share Capital

(Rs. in Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised Share Capital			
50,000 Equity Shares of Rs. 10/- each	5.00	5.00	5.00
	5.00	5.00	5.00
Issued, Subscribed and Paid up Capital			
50,000 Equity Shares of Rs. 10/- each	5.00	5.00	5.00
	5.00	5.00	5.00

6.1 The reconciliation of the number of shares outstanding at the beginning and at the end of year has been shown in the table below:

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	Rs in Lakhs	Number of Shares	Rs in Lakhs	Number of Shares	Rs in Lakhs
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	**50,000**	**5.00**	**50,000**	**5.00**	**50,000**	**5.00**

Terms and rights attached to equity shares:
The Company has only one class of shares referred to as equity shares having a par value of Rs 10/-. Each holder of equity shares is entitled to one vote per share. 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. In proportion to the number of equity shares held by the shareholders.

6.2 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	% holding of equity shares	Number of Shares	% holding of equity shares	Number of Shares	% holding of equity shares
Fully paid equity shares						
Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited (Holding Company))	25500	51%	25500	51%	25500	51%
Small Industries Development Bank of India	12250	24.50%	12250	24.50%	12250	24.50%
Andhra Pradesh Industrial Development Corporation Limited	8085	16.17%	8085	16.17%	8085	16.17%
Andhra Pradesh Industrial Infrastructure Corp Limited	4165	8.33%	4165	8.33%	4165	8.33%

6.3 Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates

	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	Number of Shares	Amount Rs. In lakhs	Number of Shares	Amount Rs. In lakhs	Number of Shares	Amount Rs. In lakhs
Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited (Holding Company)) *	25,500	2.55	25,500	2.55	25,500	2.55

6.4 The Company during the preceding 5 years:

i Has not allotted shares pursuant to contracts without payment received in cash.
ii Has not issued shares by the way of bonus shares.
iii Has not bought back any shares.

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

7 Other Equity

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Retained Earnings			
Balance as per last accounts	1.16	1.14	1.14
Net Profit/(Loss) for the Year	0.03	0.02	-
Closing Balance (a)	**1.19**	**1.16**	**1.14**
b)Other comprehensive Income			
Balance as per last accounts	-	-	-
Add: Other comprehensive income for the	-	-	-
Closing Balance (b)	-	-	-
Total (a+b)	**1.19**	**1.16**	**1.14**

8 Trade Payables

(Rs. in Lakhs)

(A) Due to Micro, Small and Medium Enterprises

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

(B) Due to Others

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For Services	0.06	0.06	0.06
Total	**0.06**	**0.06**	**0.06**

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

9 Income Tax liabilities (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Taxation	0.02	0.01	0.06
Less: Tax deducted at source and advance tax	-	-	-
Total	0.02	0.01	0.06

10 Other Income

Particulars	Year Ended March 31, 2019 Rs. in lakhs	Year Ended March 31, 2018 Rs. in lakhs
Interest on Fixed Deposits	0.42	0.41
Total	**0.42**	**0.41**

11 Other Expenses

Particulars	Year Ended March 31, 2019 Rs. in lakhs	Year Ended March 31, 2018 Rs. in lakhs
Legal & Professional Fees	0.27	0.24
Filing Fees	0.03	0.05
Payment to Auditors :		
-Fees for Statutory Audit	0.06	0.06
Director's Sitting Fees	-	0.02
Bank Charges	0.01	0.01
Total	**0.37**	**0.38**

12 Income Tax Expenses

Particulars	Year Ended March 31, 2019 Rs. in lakhs	Year Ended March 31, 2018 Rs. in lakhs
Current tax		
-Tax for earlier year	-	-
-Current Tax	0.02	0.01
Total Current Tax	**0.02**	**0.01**
Deferred tax	-	-
Total Deferred Tax		
Total	**0.02**	**0.01**

13 Earnings per Share
Basic and Diluted Earnings per Share

S.No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Net Profit/ (Loss) after tax attributable to Equity Shareholders (Rs. in Lakh)	0.03	0.02
2	Weighted average number of Equity Shares Basic (Nos.)	50,000.00	50,000.00
3	Weighted average number of Potential Equity Shares (Nos.)	50,000.00	50,000.00
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	0.06	0.05
6	Diluted Earnings per share (Rs)	0.06	0.05

14 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

Reconciliation of Total Equity as previously reported under Previous GAAP to IND AS:

(Rs. in Lakh)

Particulars	Note	As at March 31, 2018	As at April 1, 2017
Total Equity as reported under previous GAAP		1.16	1.14
Adjustments:			
Impact of Ind AS		-	-
Equity as reported under Ind AS		1.16	1.14

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018.

(Rs. in Lakh)

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		0.02
Adjustments:		
Impact due to change in employee benefit expenses		-
Total adjustments		-
Profit After Tax as per Ind AS		0.02
Other Comprehensive Income		-
Comprehensive Income as reported under Ind AS		0.02

15 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use to fund working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations and money raised through issue of equity share to the shareholders.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

16 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 1 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
(i) Cash and Cash Equivalents	0.16	0.16	0.14	0.14	0.12	0.12
(ii) Bank Balance Other than Cash and Cash Equivalents	5.70	5.70	5.70	5.70	5.70	5.70
(iii) Other Financial Assets	0.40	0.40	0.39	0.39	0.44	0.44
Total financial assets	6.26	6.26	6.23	6.23	6.26	6.26
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	0.06	0.06	0.06	0.06	0.06	0.06
Total financial liabilities	**0.06**	**0.06**	**0.06**	**0.06**	**0.06**	**0.06**

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.

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 include cash, cash equivalents, Other Bank Balance, Loans, Trade and other receivables.

Trade and Other Payables
Trade payables that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments includes Trade & Other payables.

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

17 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

B) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company is not exposed to market risk as it has no borrowed fund and it do not indulge in transaction involving foreign currencies. The current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

i) Liquidity risk
Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events. The objectives of the Company's liquidity risk management processes are to lessen the impact of liquidity risk by minimizing mismatch in timing of cash flow.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(Rs. In Lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial assets						
a) Measured at amortised cost						
(i) Cash and Cash Equivalents	0.16	-	0.14	-	0.12	-
(ii) Bank Balance Other than Cash and Cash Equivalents	5.70	-	5.70	-	5.70	-
(iii) Other Financial Assets	0.40	-	0.39	-	0.44	-
Total financial assets	**6.26**	**-**	**6.23**	**-**	**6.26**	**-**
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	0.06	-	0.06	-	0.06	-
Total financial liabilities	**0.06**	**-**	**0.06**	**-**	**0.06**	**-**

ii) Credit risk
Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations. The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

18 Related Party Disclosures

a) Related Parties

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
2	Srei Factors Private Limited (w.e.f. 02.01.2019)	India
C	**Intermediate Holding Company**	
3	Srei Infrastructure Finance Limited (SIFL)	India
D	**Holding Company**	
4	Srei Alternative Investment Managers Limited	India
E	**Investor having significant influence**	
5	Small Industries Development Bank of India	India
F	**Fellow Subsidiaries:**	
6	Srei Mutual Fund Asset Management Private Limited	India
7	Srei Capital Markets Limited	India
8	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
9	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
10	Srei Mutual Fund Trust Private Limited	India
11	Srei Insurance Broking Private Limited	India
12	Controlla Electrotech Private Limited	India
13	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
14	Quippo Oil & Gas Infrastructure Limited (ceased to be a fellow subsidiary w.e.f. 31.03.2019)	India
15	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to a fellow sub-subsidiary w.e.f. 31.03.2019)	India
16	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
17	Srei Equipment Finance Limited	India
18	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
G	**Fellow Associates**	
19	Sahaj e-Village Limited	India
20	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
21	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
22	AO International Infrastructure Services, Russia (Formerly AO Srei Leasing Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
23	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
24	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
H	**Others**	
25	Srei Mutual Fund Trust	India
26	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
I	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
27	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
J	**Key Management Personnel (KMP)/Directors:**	**Designation**
28	Mr. Solomon Arokiaraj	Director
29	Mr. Sidharth Jain Fouzdar (upto 08.02.2018)	Director
30	Mr. Kartikeya Misra (upto 05.07.2017)	Director
31	Mr. E. Venkat Narsimha Reddy (upto 29.11.2017)	Director
32	Mr. G. Sampath Kumar (upto 08.02.2019)	Director
33	Mr. Ravindram A Lakshmanan (upto 08.02.2019)	Director
34	Mr. Subrato Ghosh	Director
35	Mr. N. Rama Raju	Director
36	Ms. Shilpa Modi	Director
37	Mr. Ashok Kumar Pareek (w.e.f 12.05.2019)	Director
38	Mr. Sanjay Jain (w.e.f. 08.02.2019)	Director
39	Mr. Kallat Vatsa Kumar (w.e.f. 08.02.2019)	Director
K	**Intermediate Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
40	Mr. Hemant Kanoria	Chairman - Holding Company
41	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
42	Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director - Holding Company
43	Mr. S.Rajagopal	Independent Director - Holding Company
44	Mr. S.Chatterjee	Independent Director - Holding Company
45	Dr. Punita Kumar Sinha	Independent Director - Holding Company
46	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
47	Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category - Independent) - Holding Company
48	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY – Non Executive Non Independent)- Holding Company
49	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
50	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
51	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
52	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
53	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
54	Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer - Holding Company
55	Mr. Chandrasekhar Mukherjee (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
56	Mr. Samir Kumar Kejriwal (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
57	Mr. Debashis Ghosh (between 28.04.2018 to 04.02.2019)	Internal Auditor - Holding Company
58	Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director - Holding Company
59	Mr. T.C.A. Ranganathan (Upto 07.12.2017)	Independent Director - Holding Company
L	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
60	Mr. Shashi Bhushan Tiwari	Non- Executive Director
61	Mr. Sanjeev Sancheti	Non- Executive Director
62	Mr. Chandra Shekhar Samal	Non- Executive Director
63	Mr. Susil Kumar Pal	Non- Executive Director
64	Mr. Raghunath Mishra	Company Secretary

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED
Notes to the Financial Statements

18 Related Party Transaction

b) Summary of Transactions with Related Parties

(Rs in Lakhs)

Key Management Personnel		Year ended March 31, 2019	Year ended March 31, 2018
			-
E. Venkat Narsimha Reddy	Director's Sitting Fee	-	0.01
Mr. G. Sampath Kumar	Director's Sitting Fee	-	0.01
Mr. Ravindram A Lakshmanan	Director's Sitting Fee		

19 **Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Trusteeship Services to Hive Fund.

20 Contingent Liabilities & Capital Commitments as on March 31, 2019 – Nil (March 31, 2018 - Nil, April, 2017 - Nil).

21 Figures pretaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current reporting year.

As per our report of even date annexed,

For ANANT RAO & MALLIK
Chartered Accountants
Firm Registration No.006266S

Sd/-
V. ANANT RAO
Partner
Membership No. 022644
Place : Hyderabad.
Date:

For and on behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No.

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Cyberabad Trustee Company Private Limited (the "Company") is domiciled and incorporated in India. 'Parishram Bhavan,' First Floor, Fateh Maidan Road, Basheer Bagh, Hyderabad, Telanagna, India – 500 004.

The Company is engaged in Trusteeship Services to Hive Fund.

(B) Recent Pronouncement

The Company has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes In Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective
Ind AS 116-

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

CYBERABAD TRUSTEE COMPANY PRIVATE LIMITED

Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(C) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 14.

(D) First Time Policy Choices

i) De-recognition of financial assets and financial liabilities

The Company has applied the De-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2017 (the transition date).

ii) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

iii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iv) Equity investments at FVTOCI

The Company has designated investment in equity shares at FVTOCI on the basis of facts and circumstances that existed at the transition date.

(E) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.17 Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Investments in subsidiaries, associates and joint ventures

Investment in associates and joint ventures are accounted for at cost. Cost is arrived at on weighted average method for the purpose of valuation of investments.

Equity Investment in subsidiaries are carried at cost less accumulated impairment, if any.
When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.4. Revenue
Income from Trusteeship Services to Hive Fund is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers.

Income from Consultancy is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.5. Leasing
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6. Foreign Currency Transactions
The financial statements are presented in Indian Rupee (INR) in lakhs, the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

Non-Financial Instruments - foreign currency translation policy:
Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:
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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:
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. Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in other comprehensive income

1.7. Borrowing Cost
Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their

intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.8. Employee Benefits

Defined Contribution Plans
Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:
Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.9. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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

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

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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

Leasehold assets including improvements are amortised over the period of the lease. Freehold Land is not depreciated.

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

1.10. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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

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

1.11. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.12. Financial Instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss

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

1.13. Taxes on Income
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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year
Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14. Claims
Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.16. Operating Segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Trusteeship Services to Hive Fund.

1.17. Use of Estimates and Judgements
The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Useful lives of property, plant and equipment and intangible assets:
As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) Fair value measurements and valuation processes:
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.18. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.19. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company, have pleasure in presenting the Fourteenth Annual Report, together with the Audited Financial Statement of your Company, for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS AND OPERATIONS

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Total Income	92.04	17.61
Total Expenditure	86.38	71.62
Profit /(Loss) Before Tax	**5.66**	**(54.01)**
Provision for Taxation:		
Current Tax	2.88	0.91
Deferred Tax (Net)	0.22	-
Profit/(Loss) After Tax	**2.56**	**(54.92)**

During the year under review, your Company's total Income aggregated to Rs. 92.04 Lacs, as compared to the Previous Year's total Income of Rs. 17.61 Lacs and Company's PAT stands at Rs. 2.56 Lacs, as compared to a PAT of Rs. (54.92) Lacs, in the Previous Financial Year. Your Company has made Operational profit, after Meeting all Expenses in spite of the sluggish Economic Scenario.

REVIEW OF OPERATIONS, DURING THE FINANCIAL YEAR 2018-19 & FUTURE PROSPECTS

In view of the relatively slow & Challenging Economic Environment and uncertainty of Project Funding Support which led to delay in approval of Projects, your Company could not complete a few ongoing Projects in time. Accordingly, the turnover of the Company has been affected. Overview of the prevailing Economic Scenario suggests, that despite the thrust on Development of Infrastructure and various Central Government Schemes, which should have been instrumental for catalyzing Investment in the Infrastructure Sector, the desired initiatives are yet to have a significant impact, at the operational level.

Your Company has been rendering Professional Services, among others, to KMDA, ULBs, Tourism and MSME Depts. of the Govt. of West Bengal and other State Agencies. Despite aggressive business initiative, your Company was awarded a new mandate from West Bengal Tourism Development Corporation, for Preparation of DPR for Tourist Complex at Sabuj Deep, Hooghly in West Bengal.

FUTURE OUTLOOK AND BUSINESS STRATEGY

Against this backdrop, your Company has adopted a proactive Business Strategy in Diversified Areas, based on its Core Competence, with supplements from external resources.

With the thrust of the State Government on Developmental Project Activities relating to Industry and Infrastructure in the State, it is expected to generate business opportunities for the Company, in the near future, provided issues related to functioning of Projects are addressed on priority basis.

Our local presence, familiarity with the local infrastructure development needs and our knowledge & experience in the Infrastructure Advisory domain, coupled with various ongoing Government Schemes, is expected to trigger and generate business opportunities even in the present challenging economic scenario.

DIVIDEND

With a view to conserve the earnings of the Company, the Board of Directors of the Company does not recommend any Dividend for the Financial Year ended 31st March, 2019.

TRANSFER TO RESERVES

The Board of Directors of the Company does not recommend transfer of any amount to the General Reserve Account of the Company.

SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Venture or Associate Company in terms of provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5) (iv) of the Companies (Accounts) Rules, 2014 and hence disclosure is not required.

HOLDING COMPANY

The Company is a direct Subsidiary of Srei Infrastructure Finance Limited, with effect from 12th March, 2018.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business carried out by the Company.

PUBLIC DEPOSITS

The Company has not invited or accepted any Deposits from the Public, covered under Section 73 of the Companies Act, 2013, and The Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company is not engaged in any activities, which warrants requirements of Disclosure regarding to Conservation of Energy, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014.

However, your Company uses Information Technology extensively, in its Operations and also continues its endeavor, to improve Energy Conservation and Utilization, Safety and Environment.

Your Company has not utilized any Foreign Exchange during the year under Review and has also not earned any Foreign Exchange, during the year under review, Previous Year (Nil).

DIRECTOR & KEY MANAGERIAL PERSONNEL

DIRECTORS

In accordance with the Provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Subrata Ghosh (DIN: 01018614), Director of your Company, Retires by Rotation at the ensuing Annual General Meeting and being Eligible, Offers himself for Re-appointment. Mr. Subrata Ghosh has submitted his Form DIR-8 with your Company as required under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board, therefore, Recommends Re-appointment of Mr. Subrata Ghosh (DIN: 01018614), as a Director of your Company.

There has been no change in the composition of the Board during the Financial Year 2018-2019.

KEY MANAGERIAL PERSONNEL

As per the Provisions of Section 203 of the Companies Act, 2013, (the Act) read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company and every Other Public Company, having a Paid-Up Share Capital of Ten Crore Rupees or more, shall have Whole-Time KMP's, namely; (i) Managing Director, or Chief Executive Officer, or Manager and in their Absence, a Whole-time Director; and (iii) Chief Financial Officer. Further, every Company having Paid-up Share Capital of Five Crores Rupees or more, shall have a Whole-Time Company Secretary. Your Company is not required to Appoint any Whole-Time KMPs, as the Paid-up Share Capital of the Company is Rs.500,000/- which is less than the threshold limit prescribed above.

MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2018-19, four Meetings of the Board of Directors of the Company were held on 19.04.2018, 26.07.2018, 11.10.2018 and 17.01.2019. The Presence of Directors at such Meetings were as follows;

Name of Director	No. of Meetings held	No. of Meeting Attended
Mr. Subrata Ghosh	4	4
Dr. Ratiranjan Mandal	4	4
Mr. P. Kamalakanth	4	2
Mr. Prabhat Ranjan Acharya (Resigned w.e.f. 16.04.2018)	4	0

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

PARTICULARS OF EMPLOYEES

None of the employees of your Company is in receipt of Remuneration which requires Disclosure pursuant to the Provisions of Section 134(3)(q) of the Companies Act, 2013, read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2018-19, the Company has not given any loan, guarantees or provided any security, or made any Investments, exceeding sixty percent of its Paid-up Share Capital, Free Reserves and Securities Premium Account, or one hundred percent of its Free Reserves and Securities Premium Account, whichever is more, as prescribed in Section 186, of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors of the Company reviews all Related Party Transactions on Quarterly Basis. The particulars of Contract or Arrangements, if any, entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, read with relevant Rules made there under, were in the ordinary course of business and were on an arm's length basis, hence, Form AOC-2, is not applicable to your Company.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return as on the Financial Year ended 31st March, 2019, in Form No. MGT-9 is Annexed and form part of this Board's Report.

RISK MANAGEMENT POLICY

The Company has proper procedures in place, for development and implementation of a Risk Management. A Risk Register is prepared based on identification of those events that expose the Organization to uncertainty. Mitigation and follow up plans are discussed with the senior management and included in the Risk Register, and updated from time to time.

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA), vide its notification dated 16th February, 2015, notified Indian Accounting Standard (Ind AS) applicable to certain Class of Companies. Ind AS has replaced has the Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Company has adopted Ind AS with effect from 01st April, 2018 and accordingly the Financial Statements of the Company along with the comparative has been prepared in accordance with the recognition and measurement principle stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder.

The Reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Notes to the Financial Statement.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the Financial Position of the Company which has occurred between the end of the Financial Year of the Company, to which the Financial Statements relate to and the date of the Report.

SHARE CAPITAL

There has been no change in the Share Capital of the Company during the Financial Year 2018-19.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no Significant and Material Orders have been passed by Regulators, or Courts, or Tribunals, impacting the Going Concern Status and Company's Operations in Future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company is guided under the policy framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, in the Group as a whole. No complaint is received during the year ended 31st March, 2019.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Provisions of Section 134(5) of the Companies Act, 2013 (Act), read with relevant Rules made thereunder, your Directors confirm that:

(i) In the preparation of the Annual Accounts for the Financial Year ended 31st March, 2019, the Applicable Accounting Standards had been followed, along with proper explanation relating to Material Departures;

(ii) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates, 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 and of the Profit of your Company, for that period;

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the Provisions of this Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) The Annual Accounts for the Financial Year ended 31st March, 2019, have been prepared, on a going concern basis; and

(v) The Directors have devised proper systems, to ensure Compliance with the provisions of all applicable laws and that, such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System, Commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed, to provide a reasonable assurance with regard to policies and internal procedures, for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

AUDITORS AND AUDITORS' REPORT

On the recommendation of the Board of Directors of your Company, the Members at their Annual General Meeting, held on 25th July, 2014, Appointed M/s. G. P. Agrawal & Co., Chartered Accountants, Kolkata, having Registration No. 302082E, as the Statutory Auditors of the Company, for a term of Five Years, who shall hold the Office until the Conclusion of the Fourteenth Annual General Meeting of the Company, in accordance with Section 139(1), and Other Applicable Provisions, if any, of the Companies Act, 2013.

In terms of the Provisions of Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to such Appointment of Statutory Auditors, the Board of Directors have approved their Appointment for a further period of 5 years commencing from the ensuing Fourteenth Annual General Meeting till the Conclusion of Nineteenth Annual General Meeting of the Company to be held in the Financial Year 2023-24. Your Company has received Confirmation from the said Auditor, that their Appointment is within the limits prescribed under Section 139(1) read with 141(3)(g)of the Companies Act, 2013. The Board of Directors recommends for Appointment of M/s. G. P. Agrawal & Co., Chartered Accountants, Kolkata, as the Statutory Auditors of the Company, from the ensuing Fourteenth Annual General Meeting till the Conclusion of Nineteenth Annual General Meeting of the Company to be held in the Financial Year 2023-24.

The Auditors Report on the Financial Statement for the Financial Year ended 31st March, 2019, as regards observations contained in the Auditors' Report, if any, the respective notes to the accounts are self-explanatory and therefore, do not call for further comments.

ACKNOWLEDGEMENT

Your Directors wish to place on record, their Appreciation for the Excellent Support and Co-operation received from its Bankers, Investors, Clients and WBIDC. Your Directors also wish to place on record their deep appreciation of the contribution made by the employees and look forward to their continued support in the future.

By Order of the Board of Directors
For **Bengal Srei Infrastructure Development Limited**

	Sd/-	Sd/-
Dated: 18th April, 2019	**(Subrata Ghosh)**	**(Ratiranjan Mandal)**
Place: Kolkata	**Director**	**Director**
	DIN – 01018614	**DIN – 01129023**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	U70109WB2004PLC100517
ii)	Registration Date	25-11-2004
iii)	Name of the Company	Bengal Srei Infrastructure Development Limited
iv)	Category / Sub-Category of the Company	Limited by shares
v)	Address of the Registered Office and Contact Details	'Vishwakarma', 86C, Topsia Road (South), Kolkata–700046
vi)	Whether Listed Company (Yes / No)	No
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Karvy Fintech Pvt. Ltd. Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032

II. Principal business activities of the company

Business Activities contributing 10 % or more, of the Total Turnover of the Company are:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to Total Turnover of the Company
1	Infrastructure Project Advisory and Related Services	9983	100

III. Particulars of Holding, Subsidiary and Associate Companies

S. N0	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Srei Infrastructure Finance Limited "Vishwakarma", 86C Topsia Road (South), Kolkata-700 046.	L29219WB1985PLC055352	Holding	51.00%	2(46) of Companies Act, 2013

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) **Indian**									
a) Individual/HUF	-	500	500	0.01	-	500	500	0.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	49,500	49,500	99.99	-	49,500	49,500	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**50,000**	**50,000**	**100.00**	-	**50,000**	**50,000**	**100.00**	-
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	**50,000**	**50,000**	**100.00**	-	**50,000**	**50,000**	**100.00**	-
B. **Public Shareholding**									
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.**Non-Institutions**	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Grand Total (A+B+C)	**-**	**50,000**	**50,000**	**100.00**	**-**	**50,000**	**50,000**	**100.00**	**-**

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	Srei Infrastructure Finance Limited	25,000	50.00	-	25,000	50.00	-	-
2.	Mr. Hemant Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.2	-	100	0.2	-	-
3.	Mr. Mr. Subrata Ghosh (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.2	-	100	0.2	-	-
4.	Mr. Sanjay Kr. Chaurasia (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.2	-	100	0.2	-	-
5.	Mr. Ashok Kumar Pareek (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.2	-	0	0.00	-	(0.2)

6.	Mr. Manoj Agarwal (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.2	-	100	0.2	-	-
7.	Mr. Vishnu Agarwal (Beneficial Owner being Srei Infrastructure Finance Limited)	0	0.00	-	100	0.2	-	0.2
8.	West Bengal Industrial Development Corporation Limited	24,500	49.00	-	24,500	49.00	-	-
	Total	**50,000**	**100.00**	-	**50,000**	**100.00**	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Date	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Srei Infrastructure Finance Limited					
	At the beginning of the year	01.04.2018	25,000	50.00	25,000	50.00
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-	-
	At the end of the year	31.03.2019	-	-	25,000	50.00
2	Mr. Hemant Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	100	0.2	-	-
	Increase/Decrease during the year	-	-	-	100	0.2
	At the end of the year	31.03.2019	-	-	100	0.2
3	Mr. Subrata Ghosh (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	100	0.2	-	-
	Increase/Decrease during the year	-	-	-	100	0.2
	At the end of the year	31.03.2019	-	-	100	0.2

4	Mr. Sanjay Kr. Chaurasia (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	100	0.2	-	-
	Increase/Decrease during the year	-	-	-	100	0.2
	At the end of the year	31.03.2019	-	-	100	0.2
5	Mr. Ashok Kumar Pareek (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	100	0.2	-	-
	Decrease during the year	11.10.2018	-	-	(100)	(0.2)
	At the end of the year	31.03.2019	-	-	0	0.00
6	Mr. Manoj Agarwal (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	100	0.2	-	-
	Increase/Decrease during the year	-	-	-	-	-
	At the end of the year	31.03.2019	-	-	100	0.2
7	Mr. Vishnu Agarwal (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	100	0.2	-	-
	Increase/Decrease during the year	-	-	-	-	-
	At the end of the year	31.03.2019	-	-	100	0.2
8	West Bengal Industrial Development Corporation Limited					
	At the beginning of the year	01.04.2018	24,500	49.00	-	-
	Increase/Decrease during the year	-	-	-	-	-
	At the end of the year	31.03.2019	-	-	24,500	49.00

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

v) **Shareholding of Directors:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	Subrata Ghosh	100	0.20	100	0.20
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	100	0.20	100	0.20

V. Indebtedness

Indebtedness of the Company including Interest Outstanding/Accrued but not Due for Payments

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	135.00	-	-	135.00
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	0.05	-	-	0.05
Total (i+ii+iii)	**135.05**	-	-	**135.05**
Change in Indebtedness during the financial year • Addition • Reduction	61.29 (50.62)	-	-	61.29 (50.62)
Net Change	**10.67**	-	-	**10.67**
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	144.75	-	-	144.75
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	0.97	-	-	0.97
Total (i+ii+iii)	**145.72**	-	-	**145.72**

VI. Remuneration of Directors

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of Perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in Lieu of Salary under Section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of Profit - Others, specify…	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total amount
		Mr. Subrata Ghosh	Mr. Ratiranjan Mandal	Mr. Kamalakanth Polukonda	
	1. Independent Directors • Fee for Attending Board / Committee Meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil
	2. Other Non-Executive Directors • Fee for attending Board / Committee Meetings	Nil	Nil	Nil	Nil

	• Commission • Others, please specify				
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary (a) Salary as per Provisions contained in section 17(1) ofthe Income-tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in Lieu of Salary Under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of Profit - Others, specify…	-	-	-	-
5.	Others, please Specify	-	-	-	-
	Total	-	-	-	-

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding Fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board of Directors
For Bengal Srei Infrastructure Development Limited

Sd/-
(Subrata Ghosh)
Director
DIN – 01018614

Sd/-
(Ratiranjan Mandal)
Director
DIN – 01129023

Dated: 18th April, 2019
Place: Kolkata

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON THAT DATE

G. P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

G. P. AGRAWAL & Co.

18th April, 2019

To
The Board of Directors,
Bengal Srei Infrastructure Development Limited,
Vishwakarma',
86C, Topsia Road (South),
Kolkata - 700046

Dear Sir,

We are enclosing herewith 1 copy of your Statement of Profit and Loss for the year ended 31st March, 2019 and the Balance Sheet as on that date together with our Audit Reports thereon.

We have great pleasure in informing you that our appointment, if made, will be in accordance with the applicable provisions of the Companies Act, 2013 (the Act). In this connection we hereby certify that:

i) We are eligible for appointment and are not disqualified for appointment under the Act, the Chartered Accountants Act, 1949 and Rules and Regulations made therein.
ii) The proposed appointment is within the term allowed under the Act.
iii) The proposed appointment is within the limits laid down by or under the authority of the Act.
iv) There is no proceeding against the auditor or audit firm or any partner of the audit firm pending with respect to professional matters of conduct.

Yours faithfully,
For G. P. Agrawal & Co.
Chartered Accountants
FR No. 302082E

Sd/-
(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421

Encl: as above.

GSTN :
19AACFG8964F1Z2
+9133 46012771
+9133 46017361
+9133 66076831
www.gpaco.net
mail@gpaco.net
Head Office:
Unit 606, 6th Floor
Diamond Heritage
16, Strand Road
Kolkata - 700001 INDIA

Independent Auditor's Report

To the Members of
Bengal Srei Infrastructure Development Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Bengal Srei Infrastructure Development Limited ("The Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

To the Members of
Bengal Srei Infrastructure Development Limited

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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

To the Members of
Bengal Srei Infrastructure Development Limited

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 41 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.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

To the Members of
Bengal Srei Infrastructure Development Limited

As required by Section 143(3) of the Act, we report that:

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.

a. 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.

b. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

c. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

f. 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 financial statements – Refer Note 28 to the financial statements.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

To the Members of
Bengal Srei Infrastructure Development Limited

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-
(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: the 18th day of April, 2019

To the Members of
Bengal Srei Infrastructure Development Limited

"ANNEXURE A" TO THE AUDITOR'S REPORT

Statement referred to in our report of even date to the members of Bengal Srei Infrastructure Development Limited on the financial statements for the year ended 31st March, 2019.

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.

c) As the Company has no immovable property, provisions of clause (i)(c) of para 3 of the said order is not applicable to the Company.

(ii) As the Company has no inventory, provisions of clause (ii) of para 3 of the said order is not applicable to the Company.

(iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (d) of paragraph 3 of the said order are not applicable to the Company.

(iv) The Company has neither given any loan, guarantee or security nor made any investment under the provisions of section 185 and 186 of the Act. Therefore, clause (iv) of paragraph 3 of the said order is not applicable to the Company.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Companies Act 2013 are not applicable to the Company.

(vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Goods and Service tax or cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2019 for a period of more than six months from the date they became payable.

To the Members of
Bengal Srei Infrastructure Development Limited

b) According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Period to which pertain	Amount Rs.	Forum where the dispute is pending
Income Tax Act 1961	Income tax	FY 2014-15	2,24,380	CIT(A)
Income Tax Act 1961	Fringe benefit tax	F.Y. 2005-06 to 2008-09	*	*

*The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta which has been dismissed vide order dated 01.09.2017. The management of the Company is in the process of filing appeal before the Divisional bench of Hon'ble High Court, Calcutta. However, amount of FBT liability has not been determined by the department and hence could not be disclosed (Refer note 28 to the financial statement).

(viii) On the basis of our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution. The Company has not taken any loans or borrowing from bank or Government. The Company has not issued any debentures.

(ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The money raised by way of term loans have been applied for the purpose for which the loans were obtained.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

(xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable accounting standards.

To the Members of
Bengal Srei Infrastructure Development Limited

(xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.

(xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company

(xvi) On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-
(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: 18th day of April, 2019

To the Members of
Bengal Srei Infrastructure Development Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bengal Srei Infrastructure Development Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 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.

To the Members of
Bengal Srei Infrastructure Development Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting 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.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-
(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: 18th day of April, 2019

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. In Lakh)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	**ASSETS**				
	Non Current Assets				
	(a) Financial Assets				
	(i) Other Financial Assets	2(i)		3.05	0.20
	(b) Deferred Tax Assets	3	23.14	23.36	23.36
	(c) Other Non Current Tax Assets (Net)	4	8.28	26.64	17.07
	Total Non - Current Assets		**31.42**	**53.05**	**40.63**
	Current Assets				
	(a) Financial Assets				
	(i) Trade Receivables	5	83.84	35.80	90.67
	(ii) Cash and Cash Equivalents	6	2.25	5.59	15.41
	(iii) Other Financial Assets	2(ii)	3.70	1.40	4.00
	(b) Other Current Assets	7	0.42	0.61	0.14
	Total Current Assets		**90.21**	**43.40**	**110.22**
	Total Assets		**121.63**	**96.45**	**150.85**
II.	**EQUITY AND LIABILITY**				
	EQUITY				
	(a) Equity Share Capital	8	5.00	5.00	5.00
	(b) Other Equity	9	(45.91)	(48.47)	12.68
	Total Equity		**(40.91)**	**(43.47)**	**17.68**
	LIABILITIES				
	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	10	96.50	101.25	130.00
	(b) Provisions	11(i)		2.14	1.25
	Total Non - Current Liabilities		**96.50**	**103.39**	**131.25**
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Trade Payable	12			
	- Due to Micro, Small and Medium Enterprises				
	- Due to Others				
	(ii) Other Financial Liabilities	13	53.16	36.08	1.20
	(b) Other Current Liabilities	14	12.88	0.24	0.63
	(c) Provisions	11(ii)		0.21	0.09
	Total Current Liabilities		**66.04**	**36.53**	**1.92**
	TOTAL EQUITY AND LIABILITIES		**121.63**	**96.45**	**150.85**

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

For and on behalf of the Board of Directors

Sd/-
Director
Din No

Sd/-
Director
Din No.

Place : Kolkata
Date: 18.04.2019

BENGAL [illegible] INFRASTRUCTURE DEVELOPMENT LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakh)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue From Operations	15	77.87	17.58
II	Other Income	16	14.17	0.03
III.	**Total Income (I+II)**		92.04	17.61
IV.	**Expenses:**			
	Employee Benefit Expenses	17	22.40	22.49
	Finance Cost	18	17.79	16.50
	Other Expenses	19	46.19	27.63
	Total Expenses (IV)		**86.38**	**71.62**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		5.66	(54.01)
VI	Exceptional Items			
VII.	Profit Before Tax (V-VI)		**5.66**	**(54.01)**
VIII.	Tax Expense	20		
	Current Tax		2.88	0.91
	Deferred Tax		0.22	
IX.	**Profit For The Year (VII-VIII)**		**2.56**	**(54.92)**
X.	**Other Comprehensive Income**			
	(I) Items that will not be reclassified to Profit or Loss:			
	- Remeasurements of the defined benefit plans			(0.21)
	(II) Income tax relating to items that will not be reclassified to Profit or Loss			
	Total Other Comprehensive Income			(0.21)
XI.	**Total Comprehensive Income For The Year (IX + X)**		2.56	(55.13)
XII.	**Earnings Per Equity Share (of Rs. 10/- each)**	27		
	Basic (Rs.)		5.12	(109.84)
	Diluted (Rs.)		5.12	(109.84)

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

Place : Kolkata
Date: 18.04.2019

For and on behalf of the Board of Directors

Sd/-
Director
Din No

Sd/-
Director
Din No 01129023

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

Cash Flow Statement for the year ended March 31, 2019

Particulars	Year ended March 31, 2019 (Rs. in Lakh)	Year ended March 31, 2018 (Rs. in Lakh)
A. Cash Flow from Operating Activities		
Profit/(Loss) before tax	5.66	(54.01)
Adjustments for:		
Finance Cost	17.79	16.50
Interest Income on Fixed deposits	(0.28)	(0.07)
Interest Income on Income Tax Refund	(11.54)	
Bad debts written off	31.08	0.74
Provision for Bad & Doubtful Debts	(0.04)	17.91
Operating Profit before Working Capital Changes	**42.67**	**(18.93)**
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	11.96	1.53
Increase / (Decrease) in Trade Receivables, Loans, Advances and Other Assets	(78.15)	36.25
Cash generated from Operating activities	**(23.52)**	**18.85**
Income Tax Paid (Net)	27.02	(11.22)
Net Cash from/(used in) Operating Activities	**3.50**	**7.63**
B. Cash Flow from Investing Activities		
Interest Received	0.28	0.07
Net Cash from Investing activities	**0.28**	**0.07**
C. Cash Flow from Financing Activities		
Long Term Loan taken	43.50	15.00
Long Term Loan repaid	(33.75)	(10.00)
Interest Paid	(16.87)	(16.50)
Dividend (including Corporate Dividend Tax)		(6.02)
Net Cash Flow from Financing Activities	(7.12)	**(17.52)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(3.34)	(9.82)
Opening Cash and Cash Equivalents	5.59	15.41
Closing Cash and Cash Equivalents	**2.25**	**5.59**

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 "Statement of Cash Flow Statements".

2 Components of Cash and Cash equivalents:

(Rs. in Lakh)

	As at March 31, 2019	As at March 31, 2018
a) Cash on hand	0.04	0.06
b) Balance with Banks in Current Account	2.21	5.53
	2.25	5.59

3 Change in Liability arising from financing activities

(Rs. in Lakh)

	As at April 1, 2018	Cash Flow	As at March 31, 2019
Non Current Borrowing (including current maturity)	135.00	9.75	144.75
	135.00	9.75	144.75

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

On behalf of the Board of Directors

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

Sd/-
Director
Din No

Sd/-
Director
Din No

Place : Kolkata
Date: 18.04.2019

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

(Rs. in Lakh)

Particulars	As at April 1, 2017	Issued/ (reduction) during the year 2017-18	As at March 31, 2018	Issued/ (reduction) during the year 2018-19	As at March 31, 2019
Equity Share Capital	5.00	-	5.00	-	5.00

B. Other equity

(Rs. in Lakh)

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance as at the April 1, 2017	5.85	6.83	12.68
Profit for the year		(54.92)	(54.92)
Other Comprehensive Income (net of tax)		(0.21)	(0.21)
Dividends on equity shares		(5.00)	(5.00)
Corporate Dividend Tax		(1.02)	(1.02)
Balance as at March 31, 2018	5.85	(54.32)	(48.47)
Profit for the year		2.56	2.56
Other Comprehensive Income (net of tax)			
Balance as at March 31, 2019	5.85	(51.76)	(45.91)

General Reserve

The reserve has been created out of profit of the Company. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings:

The reserve represent the cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

Place : Kolkata
Date: 18.04.2019

For and on behalf of the Board of Directors

Sd/-
Director
Din No

Sd/-
Director
Din No

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Bengal Srei Infrastructure Development Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

The Company is engaged in Infrastructure Project Advisory and related Services.

(B) Recent Pronouncement

The Company has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective

Ind AS 116-

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

.Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(C) Statement of Compliance
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 21.

(D) First Time Policy Choices

i) De-recognition of financial assets and financial liabilities
The Company has applied the De-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2017 (the transition date).

ii) Classification of debt instruments
The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

iii) Deemed cost for property, plant and equipment and intangible assets
The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iv) Equity investments at FVTOCI
The Company has designated investment in equity shares at FVTOCI on the basis of facts and circumstances that existed at the transition date.

(E) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.17 Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Investments in subsidiaries, associates and joint ventures

Investment in associates and joint ventures are accounted for at cost. Cost is arrived at on weighted average method for the purpose of valuation of investments.

Equity Investment in subsidiaries are carried at cost less accumulated impairment, if any.
When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.4. Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers.

Income from Consultancy is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.5. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6. Foreign Currency Transactions

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

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:

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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:

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

1.7. Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their

intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.8. Employee Benefits

Defined Contribution Plans

Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:

Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.9. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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

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

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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

Leasehold assets including improvements are amortised over the period of the lease. Freehold Land is not depreciated.

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

1.10. Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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

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

1.11. Impairment of Assets
Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.12. Financial Instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

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

1.13. Taxes on Income

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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.15. Provisions

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.16. Operating Segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Infrastructure Project Advisory and related Services.

1.17. Use of Estimates and Judgements
The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Useful lives of property, plant and equipment and intangible assets:**
As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) **Fair value measurements and valuation processes:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.18. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.19. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2(i) Other Financial Assets - non current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security Deposit	-	3.05	0.20
Total	-	3.05	0.20

2(ii) Other Financial assets - current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security Deposit	3.70	1.40	4.00
Total	3.70	1.40	4.00

3 Deferred Tax Assets

(Rs. in Lakh)

Particulars	Balance as at 01.04.2018	Recognised/ (reversed) in Statement of Profit and Loss	Balance as at 31.03.2019
Components of Deferred Tax Assets			
Provision for Gratuity	0.22	(0.22)	-
Allowance for bad and doubtful debts	10.29	-	10.29
MAT Credit Entitlement	12.85	-	12.85
Total	23.36	(0.22)	23.14

(Rs. in Lakh)

Particulars	Balance as at 01.04.2017	Recognised in other Comprehensive Income	Balance as at 31.03.2018
Components of Deferred Tax Assets			
Provision for Gratuity	0.22	-	0.22
Allowance for bad and doubtful debts	10.29		10.29
MAT Credit Entitlement	12.85	-	12.85
Total	23.36	-	23.36

Note : refer note no.24

4 Other Non Current Tax Assets (Net)

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & Tax Deducted At Source	21.42	51.50	41.02
Less: Provision for taxation	(13.14)	(24.86)	(23.95)
Total	8.28	26.64	17.07

5 Trade Receivables

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Unsecured considered good	83.05	3.63	84.20
Less: Allowance for Expected Credit Loss	(0.22)	(1.05)	(13.08)
	82.83	2.58	71.12
(b) Significant increase in credit risk	-	-	-
Less: Allowance for Expected Credit Loss	-	-	
(c) Credit impaired	52.29	83.71	40.09
Less: Allowance for Expected Credit Loss	(51.28)	(50.49)	(20.54)
	1.01	33.22	19.55
Total (a+b+c)	83.84	35.80	90.67

i) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables 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.

5 Trade Receivables (Contd..)

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

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	51.54	33.63
Charge in Statement of Profit and Loss	(0.04)	17.91
Balance at the end of the year	51.50	51.54

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

(Rs. in Lakh)

Particulars	As at March 31, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	82.93	0.17	82.76
Overdue between three to six months	-	-	-
Overdue between six months to one year	0.12	0.04	0.08
More than 1 year overdue	52.29	51.29	1.00
	135.34	51.50	83.84

(Rs. in Lakh)

Particulars	As at March 31, 2018		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	-	-	-
Overdue between three to six months	1.00	0.12	0.88
Overdue between six months to one year	2.62	0.93	1.69
More than 1 year overdue	83.72	50.49	33.23
	87.34	51.54	35.80

(Rs. in Lakh)

Particulars	As at April 1, 2017		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	57.26		57.26
Overdue between three to six months	0.40	0.01	0.39
Overdue between six months to one year	26.54	13.08	13.46
More than 1 year overdue	40.09	20.53	19.56
	124.29	33.62	90.67

The change in Expected Credit Loss Allowance of the portfolio was driven by an 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 Cash and Cash Equivalents:

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.04	0.06	0.17
Balances with Banks in current account	2.21	5.53	15.24
Total	**2.25**	**5.59**	**15.41**

7 Other Current Assets

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Input GST	-	0.08	0.04
Advances to Vendor/Staff	0.29	0.42	
Prepaid Expenses	0.13	0.11	0.10
Total	**0.42**	**0.61**	**0.14**

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED
NOTES TO FINANCIAL STATEMENTS

8 Equity Share Capital

(Rs. in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01,	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
Equity Shares of Rs. 10/- each	50,000	5.00	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00	50,000	5.00
Issued, Subscribed and Paid up						
Equity Shares of Rs. 10/- each fully paid	50,000	5.00	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00	50,000	5.00

8.1 The reconciliation of the number of shares outstanding at the beginning and at the end of year:

	As at March 31, 2019		As at March 31, 2018		As at April 01,	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	50,000	5.00	50,000	5.00	50,000	5.00

Terms and rights attached to equity shares:
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

8.2 Details of shares held by each shareholder holding more than 5%

Name of the Company	As at March 31, 2019		As at March 31, 2018		As at April 01,	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Fully paid equity shares						
Srei Infrastructure Finance Limited *	25,500	51%	25,500	51%	-	-
West Bengal Industrial Development Corporation Limited	24,500	49%	24,500	49%	24,500	49%
Srei Infrastructure Advisors Limited	-	-	-	-	25,500	51%

* Includes 500 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

8.3 Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates

Name of the Company (Relationship)	As at March 31, 2019		As at March 31, 2018		As at April 01,	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Srei Infrastructure Finance Limited- holding company	25,500	51%	25,500	51%		-
Srei Infrastructure Advisors Limited- holding company	-	-			25,500	51%

8.4 The Company during the preceding 5 years:
- i Has not alloted shares pursuant to contracts without payment received in cash.
- ii Has not issued shares by the way of bonus shares.
- iii Has not bought back any shares.

9 Other Equity

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) General Reserve	**5.85**	**5.85**	**5.85**
b) Retained Earnings			
Balance as per last accounts	(54.11)	6.83	6.83
Net Profit/(Loss) for the Year	2.56	(54.92)	-
Less:Dividend on Equity Shares	-	(5.00)	
Less:Corporate Dividend Tax		(1.02)	-
Closing Balance	**(51.55)**	**(54.11)**	**6.83**
c) Other comprehensive income			
Balance as per last accounts	(0.21)	-	-
Add: Other comprehensive income for the year	-	(0.21)	-
Closing Balance	**(0.21)**	**(0.21)**	-
Total	**(45.91)**	**(48.47)**	**12.68**

Note : The Board of Directors in its meeting on 26th April, 2017, have proposed a final dividend of Rs. 10/- per equity share for Financial Year 2016-17. Shareholders of the Company has approved payment of dividend in its Annual General Meeting held on 30.06.2017.

10 **Borrowings - non current**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured Borrowings (Measured at Amotized Cost			
Term Loan from holding company	144.75	135.00	130.00
Less : Current maturity of Long Term Borrowings	(48.25)	(33.75)	-
Total	**96.50**	**101.25**	**130.00**

Terms of repayment for Secured Borrowing:

Rupee Term Loan is secured by way of charge on entire moveable assets including book-debts, ranking pari passu with existing facilities & Demand Promissory Note covering the Principal and Interest Repayment. Principal loan amount is repayable in 4 annual equal installments commencing from 30th June, 2018. Interest is payable Quarterly, Compounding on monthly rest @ 13% per annum.

11(i) **Provisions - non-current**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Employee Benefits:			
Gratuity	-	1.16	0.69
Leave Encashment	-	0.78	0.41
Sick Leave Availment	-	0.20	0.15
Total	**-**	**2.14**	**1.25**

11(ii) **Provisions -current**

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Employee Benefits:			
Gratuity	-	0.01	0.01
Leave Encashment	-	0.13	0.05
Sick Leave Availment	-	0.07	0.03
Total	**-**	**0.21**	**0.09**

12 Trade Payables

(A) Due to Micro, Small and Medium Enterprises

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

(B) Due to Others

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For Services	-	-	-
Total	-	-	

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

13 Other Financial Liabilities - Current

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Current Maturities of Long Term Borrowings	48.25	33.75	-
Interest Accrued but not Due on Borrowings	0.97	0.05	0.04
Liability for expenses	0.56	1.14	0.48
Salary & other payroll dues	3.38	1.14	0.68
Total	53.16	36.08	1.20

14 Other Current Liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Liabilities	12.88	0.24	0.63
Total	**12.88**	**0.24**	**0.63**

15 Revenue From Operations

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Sale of Sevices		
-Consultancy Fees	77.87	17.54
Total	**77.87**	**17.54**

16 Other Income

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Interest Income comprises interest from:		
-Interest on Fixed Deposits	0.28	0.07
-Others (from statutory authorities etc.)	11.54	-
Liability no longer required written back	2.35	-
Total	**14.17**	**0.07**

17 Employee Benefits Expense

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Salaries, wages, bonus and allowances	32.19	27.37
Staff welfare expenses	0.21	0.12
Total	**32.40**	**27.49**

18 Finance Cost

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Interest expense		
-On financial liabilities measured at amortised cost	17.79	16.50
Total	**17.79**	**16.50**

19 Other Expenses

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Legal & Professional Fees	0.79	5.04
Travelling and Conveyance	1.14	1.17
Rates & Taxes	0.39	0.08
Communication Expenses	0.23	0.18
Printing & Stationery	0.12	0.26
Repairs & Maintenance-others	1.62	1.58
Provision for Bad & Doubtful Debts	(0.04)	17.91
Bad Debts Written off	31.08	0.74
Security deposit written-off	0.35	
Membership & Subscription	0.15	0.19
Payment to Auditors :		
-Statutory Audit Fees	0.28	0.28
-Other Services (Certification etc.)	0.06	0.08
Miscellaneous Expenses	0.02	0.12
Total	**36.19**	**27.63**

20 Income Tax Expenses

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Current tax		
-Tax for earlier year	1.42	0.91
-Current Tax	1.46	-
Total Current Tax	**2.88**	**0.91**
Deferred tax	0.22	-
Total Deferred Tax	**0.22**	**-**
Total	**3.10**	**0.91**

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

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	**5.66**	**(54.01)**
Statutory Income Tax Rate	26%	
Expected income tax expense at statutory income tax rate	1.47	-
(i) Income exempt from tax/Items not deductible	(0.01)	-
Current Tax Expense recognised in profit and loss account	**1.46**	**-**

21 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.
The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

(ii) Fair value at deemed cost for items of property, plant and equipment

Company has elected to use the carrying amount of items of property, plant and equipments under previous GAAP on the date of transition to Ind AS as deemed cost for Ind AS.

Reconciliation of Total Equity as previously reported under Previous GAAP to IND AS:

(Rs. in Lakh)

Particulars	Note	As at 31.03.2018	As at 01.04.2017
Total Equity as reported under previous GAAP		(16.72)	40.70
Re-measurements on transition to Ind AS			
(1) Expected credit loss	(i)	(37.04)	(33.31)
(2) Deferred tax on above adjustments	(iii)	10.29	10.29
Total Equity as reported under Ind AS		**(43.47)**	**17.68**

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018.

(Rs. in Lakh)

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		**(51.40)**
Adjustments:		
(1) Expected credit loss	(i)	(3.73)
(2) Re-measurment of defined benefit obligations	(ii)	0.21
(3) Deferred tax on above adjustments	(iii)	-
Profit / (Loss) After Tax as reported under Ind AS		**(54.92)**
(1) Re-measurment of defined benefit obligations	(ii)	(0.21)
(2) Deferred tax on above adjustments	(iii)	-
Total Comprehensive Income as reported under Ind AS		**(55.13)**

Footnotes to the reconciliation of equity as at April 1, 2017 and 31st March 2018 and Total Comprehensive Income for the year ended 31st March 2018.

(i) Expected credit loss

Under Previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the company. This judgement was based on consideration of information available up to the date on which the financial statements were approved.
Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortized cost. Expected loss on individually significant receivables is assessed when they are past due and based on company's historical counterparty default rates.

(ii) Re-measurment of defined benefit obligations

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

(iii) Tax Impact on above adjustments

Under Previous GAAP, deferred tax was accounted using the income statement approach on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of assets or liabilities in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

22 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations, long term and short term borrowings from financial institutions.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 10 offset by cash and cash equivalents in note 6) and total equity of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances).

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(Rs. In Lakh)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Equity Share Capital	5.00	5.00	5.00
Other Equity	(45.91)	(48.47)	12.68
Total Equity (A)	(40.91)	(43.47)	17.68
Non Current Borrowings	96.50	101.25	130.00
Current Maturities of Long Term Borrowings	48.25	33.75	-
Gross Debts (B)	144.75	135.00	130.00
Total Capital (A+B)	103.84	91.53	147.68
Gross Debt as above	144.75	135.00	130.00
Less: Cash and Cash Equivalents	2.25	5.59	15.41
Net Debt (C)	142.50	129.41	114.59
Net Debt to Equity	(3.38)	(10.04)	6.48

Net debt to equity as at 31.03.2019 and 31.03.2018 has been computed based on average equity and as on 01.04.2017, it is based on closing equity.

23 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 1 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. In Lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
i) Trade Receivables	**83.84**	**83.84**	35.80	35.80	90.67	90.67
ii) Cash and cash equivalents	**2.25**	**2.25**	5.59	5.59	15.41	15.41
iii) Other financial assets	**3.70**	**3.70**	4.45	4.45	4.20	4.20
Total financial assets	**89.79**	**89.79**	45.84	45.84	110.28	110.28
Financial liabilities						
a) Measured at amortised cost						
i) Borrowings	**144.75**	**144.75**	135.00	135.00	130.00	130.00
ii) Other financial liabilities	**4.91**	**4.91**	2.33	2.33	1.20	1.20
Total financial liabilities	**149.66**	**149.66**	137.33	137.33	131.20	131.20

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.

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 include: cash, cash equivalents, other bank balances, Trade and Other receivables and Security Deposits.

23 **FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)**

Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at a rate that reflects market risks.

Other financial liabilities measured at amortised cost

For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade & Other payables.

B) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company is not exposed to market risk as it borrows funds on fixed rate of interest and it do not indulge in transaction involving foreign currencies. The current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

a) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date

(Rs. In Lakh)

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
A: Financial assets						
i) Trade receivables	83.84	-	35.80	-	90.67	-
ii) Cash and cash equivalents	2.25	-	5.59	-	15.41	-
iii) Other financial assets	3.70	-	1.40	-	4.00	-
Total	**89.79**	**-**	**42.79**	**-**	**110.08**	**-**
B: Financial liabilities						
i) Borrowings	**48.25**	**96.50**	33.75	101.25	-	130.00
ii) Other financial liabilities	4.91	-	2.33	-	1.20	
Total	**53.16**	**96.50**	**36.08**	**101.25**	**1.20**	**130.00**

b) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

24 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

As the Company do not employ the minimum number of person as required under "The Employees' Provident Funds and Miscellaneous Provisions Act, 1952", the Company has not obtained registration under the aforesaid Act.

Defined benefit plans

(A) Gratuity Fund :-

The Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans.The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

All employees who have rendered service for specified period as per the Payment of Gratuity Act, 1972 are entitled for gratuity. The gratuity amount is determined based on the last drawn salary and period of service with the company.

The defined benefit obligations are unfunded and thus the disclosure requirements of plan assets have not been made.

Risk Management
The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31.03.2018. As the Company do not employ any employee as on 31.03.2019, it has not obtained actuarial valuation as on 31.03.2019

24.1 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs. in Lakh)

Description	Gratuity			Leave		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
1. Change in the defined benefit obligation						
Present Value of Obligation at the Beginning of the Year	-	0.69	0.66	-	0.47	0.63
Current Service Cost	-	0.22	0.20	-	-	0.08
Interest Cost	-	0.05	0.05	-	0.02	0.04
Acquisitions Cost/credit	-	-	-	-	-	-
Actuarial (gain)/loss	-	0.21	(0.22)	-	0.55	(0.03)
Benefits paid	-	-	-	-	(0.13)	(0.25)
Present Value of Obligation at the end of the Year	**-**	**1.17**	**0.69**	**-**	**0.91**	**0.47**
2. Amount recognised in Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	-	-	-	-	-	-
Present Value of Obligation at the end of the Year	-	1.17	0.69	-	0.91	0.47
(Asset)/Liabilities as per the actuarial valuation	-	1.17	0.69	-	0.91	0.47
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	-	1.17	0.69	-	0.91	0.47
3. Expenses recognised in the statement of profit and loss consists of:	**Year ended 31.03.2019**	**Year ended 31.03.2018**		**Year ended 31.03.2019**	**Year ended 31.03.2018**	
Employee benefits expenses:						
Current Service cost	-	0.22		-	-	
Net Interest cost	-	0.05		-	0.02	
Total [A]	**-**	**0.27**		**-**	**0.02**	
Other Comprehensive Income						
Actuarial (Gain) / Loss from experience adjustments	-	0.29		-	0.59	
Actuarial (Gain) / Loss from financial assumptions	-	(0.08)		-	(0.04)	
Return on plan assets (excluding amounts included in net interest cost	-	-		-	-	
Total [B]	**-**	**0.21**		**-**	**0.55**	
Expense recognised during the year [A+B]	**-**	**0.48**		**-**	**0.57**	

24.2 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs. in Lakh)

Description	Gratuity % Invested			Leave % Invested		
	31.03.2019	31.03.2018	01.04.2017	31.03.2019	31.03.2018	01.04.2017
4. Investment Details of Plan Assets	NA	NA	NA	NA	NA	NA
5. Assumptions						
Discount rate per annum	-	7.60%	7.15%	-	7.60%	7.15%
Salary escalation rate per annum	-	10.00%	10.00%	-	10.00%	10.00%
Best Estimate of Employers' Expected Contributions for the next year	NA	NA	NA	NA	NA	NA
Method used	Projected Unit Credit Method			Projected Unit Credit Method		

24.3 The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons.

24.4 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

	Year ended 31.03.2019				Year ended 31.03.2018				Year ended 01.04.2017			
	Gratuity		Leave		Gratuity		Leave		Gratuity		Leave	
	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)
Discount Rate + 1%		-		-	-14%	(0.16)	-10%	(0.09)	-13%	(0.09)	-9%	(0.04)
Discount Rate - 1%		-	-		16%	0.19	12%	0.11	15%	0.11	11%	0.05
Salary Increase Rate + 1%	-	-	-	-	16%	0.18	12%	0.11	15%	0.10	10%	0.05
Salary Increase Rate - 1%	-	-	-	-	-13%	(0.16)	-10%	(0.09)	-13%	(0.09)	-9%	(0.04)

24.5 Maturity Analysis Of The Benefit Payments

(Rs. in Lakh)

	Year ended 31.03.2019		Year ended 31.03.2018		Year ended 01.04.2017	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
Year 1	-	-	0.01	0.14	0.01	0.06
Year 2	-		0.01	0.08	0.01	0.03
Year 3		-	0.02	0.05	0.01	0.02
Year 4	-	-	0.03	0.04	0.01	0.02
Year 5			0.06	0.03	0.03	0.01
Next 5 Years			0.85	0.16	0.38	0.07

24.6 Sick Leave Benefit (Unfunded)

(Rs. in Lakh)

S.No	Particulars	Sick Leave Benefit (Unfunded)		
		As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2017
	Assets/ Liabilities			
1	Projected Benefit Obligation		(0.26)	(0.18)
2	Fair Value of Plan Assets		-	-
3	Current Asset / (Liability)	-	(0.06)	(0.03)
4	Non Current Asset / (Liability)	-	(0.20)	(0.15)
	Actuarial Assumptions	0		
1	Discount Rate	0.00%	7.60%	7.15%
2	Expected return on plan assets	NA	NA	NA
3	Salary Escalation	0.00%	10.00%	10.00%

BENGAL SREI INFRASTUCTURE DEVELOPMENT LIMITED

Notes to the financial statement for the year ended March 31, 2019

25 Related Party Disclosures

Related Parties

SI.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
2	Srei Factors Private Limited (w.e.f. 02.01.2019)	India
C	**Holding Company**	
3	Srei Infrastructure Finance Limited (SIFL)	India
D	**Investor having significant influence**	
4	West Bengal Industrial Development Corporation (WBIDC)	India
E	**Fellow Subsidiaries:**	
5	Srei Capital Markets Limited	India
6	Srei Alternative Investment Managers Limited	India
7	Srei Mutual Fund Asset Management Private Limited	India
8	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
9	Srei Mutual Fund Trust Private Limited	India
10	Srei Insurance Broking Private Limited	India
11	Controlla Electrotech Private Limited	India
12	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
13	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
14	Quippo Oil & Gas Infrastructure Limited (ceased to be a fellow subsidiary w.e.f. 31.03.2019)	India
15	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to a fellow sub-subsidiary w.e.f. 31.03.2019)	India
16	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
17	Srei Equipment Finance Limited	India
18	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
F	**Fellow Associates**	
19	Sahaj e-Village Limited	India
20	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
21	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
22	AO International Infrastructure Services, Russia (Formerly AO Srei Leasing Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
23	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
24	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
G	**Others**	
25	Srei Mutual Fund Trust	India
26	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
H	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
27	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
I	**Key Management Personnel (KMP)/Directors:**	**Designation**
28	Mr. Kamalakanth Polukonda	Nominee Director of WBIDC
	Mr. Subrata Ghosh	Non Executive Director
30	Mr. Rati Ranjan Mandal	Non Executive Director
31	Mr. Prabhat Ranjan Acharya (upto 16.04.2018)	Non Executive Director
J	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
32	Mr. Hemant Kanoria	Chairman - Holding Company
33	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
34	Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director - Holding Company
35	Mr. S.Rajagopal	Independent Director - Holding Company
36	Mr. S.Chatterjee	Independent Director - Holding Company
37	Dr. Punita Kumar Sinha	Independent Director - Holding Company
38	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
39	Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category – Independent) - Holding Company
40	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY – Non Executive Non Independent)- Holding Company
41	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
42	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
43	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
44	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
45	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
46	Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer - Holding Company
47	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
48	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
49	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Internal Auditor - Holding Company
50	Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director - Holding Company
51	Mr. T.C.A. Ranganathan (Upto 07.12.2017)	Independent Director - Holding Company

25.1 Related Party Transaction

Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

Transactiosn entered with related parties during the year ended 31st March 2019 and for the year end 31st March 2018 are as under:

(Rs. in Lakh)

Name of related party	Nature of Transactions & Outstanding Balances	Year ended March 31, 2019	Year Ended March 31, 2018
Holding Company			
Srei Infrastructure Finance Limited	**Transactions:**		
	Long Term Loan Taken	43.50	15.00
	Long Term Loan Refunded	33.75	10.00
	Interest on Loan Taken	17.79	16.50
Holding Company			
Srei Infrastructure Advisors Limited	**Transactions:**		
	Dividend paid	-	2.55
Investor having significant influence			
West Bengal Industrial Development	**Transactions:**		
	Dividend paid	-	2.45

No amount has been written back/ written off during the year in respect of due to / from related parties.

Balance due with related parties as on March 31, 2019 , March 31, 2018 and April 01, 2017 are as under:

(Rs. in Lakh)

Name of related party	Outstanding balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Holding Company				
Srei Infrastructure Finance Limited	**Balance Outstanding :**			
	Balance Loan Payable	144.75	135.00	130.00
	Interest Accrued but Not Due (Net of TDS)	0.97	0.05	0.04

25.2 Compensation to Key Managerial Personnel/Director : Rs. Nil (FY 2017-18 : Rs. Nil)

26 Deferred Tax Assets (net)

The Deferred Tax Asset arising out of timing difference is on account of the following:

(Rs. in Lakh)

S.No	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Components of Deferred Tax Asset/(Liability) :			
1	Carry forward losses	9.20	9.20	
2	Provision for Gratuity	-	0.30	0.22
3	Allowance for credit loss	13.39	13.40	10.29
4	MAT Credit Entitlement	12.85	12.85	12.85
	Total	**35.44**	**35.75**	**23.36**

Note: On the basis of prudence, deferred tax asset has been kept at Rs.23.36 Lakhs and additional deferred tax asset arising in FY 2017-18 and FY 2018-19 has not been recognised. However, derecognition whenever required has been accounted in respective years.

27 Earnings per Share

Basic and Diluted Earnings per Share

S.No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Net Profit/(Loss) after tax attributable to Equity Shareholders (Rs. in Lakh)	2.56	(54.92)
2	Weighted average number of Equity Shares Basic (Nos.)	50,000	50,000
3	Weighted average number of Equity Shares Diluted (Nos.)	50,000	50,000
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	5.12	(109.84)
6	Diluted Earnings per share (Rs)	5.12	(109.84)

28 Contingent Liabilities

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Claims against the company not acknowledged as debt		
Income Tax (F.Y. 2014-15)	2.24	2.24
Total	2.24	2.24

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble court has dismissed the petition vide order dated 01.09.2017. However amount of FBT liability has not been determined by the department. Also management of the Company is in the process of filing appeal before the Divisional bench of Hon'ble High Court, Calcutta. In view of this, the Company has not provided for any liability towards FBT till 31 March 2009. However, consequent upon abolition of FBT from accounting year 2009-10, no liability arises for the year.

29 Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any Memorandum (as required to be filed by the Suppliers with the notified Authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March, 2019 as Micro, Small or Medium Enterprises. Consequently , the Amount due to Micro and Small Enterprises as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is Rs Nil (Previous year Nil).

30 Capital Commitment - Rs. Nil (Previous Year Rs. Nil)

31 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

As per our report of even date annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
CA Rakesh Kumar Singh
Partner
Membership No. 066421

On behalf of the Board of Directors

Sd/-
Director
Din No

Sd/-
Director
Din No

Place : Kolkata
Date: 18.04.2019

CONTROLLA ELECTROTECH PRIVATE LIMITED

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company has pleasure in presenting the Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2019.

FINANCIAL RESULTS AND OPERATIONS

(Amount in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Total Income	160.00	1268.62
Total Expenditure	147.55	1779.09
Profit Before Depreciation	12.45	(510.47)
Depreciation	45.25	45.25
Profit/(Loss) Before Bad Debts / Provision and Tax	(32.80)	(555.72)
Bad Debts / Provisions etc.	-	-
Profit/(Loss) Before Tax	**(32.80)**	**(555.72)**
Provision for Current Tax	0.33	1.84
Income Tax in respect of earlier years	-	0.10
Deferred Tax	-	(131.36)
Profit/(Loss) After Tax	**(33.13)**	**(426.30)**
Balance brought forward from previous year	(475.96)	(49.66)
Less: Adjustment for change in useful life of assets	-	-
Balance carried to Balance Sheet	(509.09)	(475.96)
Paid up Equity Share Capital	3.53	3.53
Amount transferred to Reserves	-	-

REVIEW OF OPERATIONS

In the Financial Year 2018-19, your Company earned the Total Income of Rs. 160 Lakhs as against Rs. 1268.62 Lakhs earned in the previous year and incurred a loss (after tax) of Rs. 33.13 Lakhs as compared to the loss (after tax) of Rs. 426.30 Lakhs in the previous financial year.

DIVIDEND

In view of loss incurred during the year under review, the Board of Directors of your Company does not recommend any dividend for the financial year 2018-19.

TRANSFER TO RESERVES

In view of the losses incurred by the Company this year, no amount has been transferred to the General Reserve.

SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Ventures and Associate Company in terms of provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5) (iv) of the Companies (Accounts) Rules, 2014 and hence disclosure is not required.

PUBLIC DEPOSITS

The Company has not invited or accepted deposits from the public covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilization, safety and environment.

Your Company has not utilized or earned any foreign exchange during the year ended 31st March, 2019 (Previous Year – Nil).

DIRECTOR & KEY MANAGERIAL PERSONNEL

Appointment and Resignation of Directors:

During the year under review, Mr. Vishnu Gopal Agarwal (DIN: 02771818), was appointed as Additional Director of your Company w.e.f. 30th August, 2018 and hold office as Additional Director upto the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. The Board of Directors recommended the regularization of appointment of Mr. Vishnu Gopal Agarwal as Director of the Company at the ensuing Annual General Meeting of the Company.

During the year under review, Mr. Manoj Kumar Beriwala, (DIN: 07022437), resigned as Director of your Company w.e.f. 31st August, 2018. The Board wishes to place on record its sincere appreciation for the valuable contribution, advice and guidance extended by Mr. Manoj Kumar Beriwala during his tenure as a Director of your Company.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and pursuant to Article 55 of the Articles of Association of your Company, Mr. Jugal Kishore Dwivedi, (DIN: 00540744), Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board, therefore, recommends the re-appointment of Mr. Jugal Kishore Dwivedi, as Director of your Company.

Key Managerial Personnel

As per the provisions of Section 203 of the Companies Act, 2013 (the Act) read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have whole-time KMPs namely (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director and (ii) Chief Financial Officer. Further, every company having paid-up share capital of five crores rupees or more shall have a whole-time Company Secretary. Your Company is not required to appoint any whole-time KMPs as the paid-up share capital of the Company is less than the limit as prescribed above.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed/ noted in the subsequent Board meeting.

During the Financial Year 2018-19, four meetings of the Board of Directors of the Company were held on 12th April, 2018, 23rd July, 2018, 10th October, 2018 and 14th January, 2019. The maximum time gap between any two consecutive meetings did not exceed 120 days.

PARTICULARS OF EMPLOYEES

None of the employee of your Company is in receipt of remuneration which require disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2018-19, the Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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.

EXTRACT OF THE ANNUAL RETURN

The extract of annual return as on the financial year ended 31st March, 2019 in Form No. MGT-9 is annexed and form part of this Board Report.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to policies and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

RISK MANAGEMNET

The Company has proper procedures in place for development and implementation of a risk management. A risk register is prepared based on identification of those events that expose the organization to uncertainty. Mitigation and follow up plans are discussed with the senior management and included in the risk register, and updated from time to time.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which are occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no significant and material orders has been passed by Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Since there was no employee in the Company during the financial year 2018-19, so the disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, is not applicable to the Company.

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA), vide its notification dated 16th February, 2015, notified Indian Accounting Standard (Ind AS) applicable to certain Class of Companies. Ind AS has replaced has the Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Company has adopted Ind AS with effect from 01st April, 2018 and accordingly the Financial Statements of the Company along with the comparative has been prepared in accordance with the recognition and measurement principle stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder.

The Reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Note 22 in the notes to the Financial Statement.

CONTROLLA ELECTROTECH PRIVATE LIMITED

SHARE CAPITAL

The Paid up Equity Share Capital as on 31st March, 2019 was Rs. 3,53,050/- divided into 35,305 Equity Shares of Rs. 10/- each. There were no changes in the Share Capital of the Company during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act) read with relevant Rules made thereunder, your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates 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 and of the loss of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

On the recommendation of the Board of Directors of your Company, the Members at their Annual General Meeting (AGM) held on 18th July, 2014, appointed Messrs P. K. Drolia & Co., Chartered Accountants, having Registration No. 316057E allotted by the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company for a term of five years, who shall hold the office until the conclusion of the ensuing Annual General Meeting of the Company, in accordance with Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013.

In terms of the provisions of Section 139(1) of the Companies Act, 2013, the Board of Directors of the Company has approved the appointment of Messrs P. K. Drolia & Co., Chartered Accountants, for a further period five years to hold the office from the conclusion of the ensuing AGM till the conclusion of AGM in the year 2024 and has recommended the same for shareholders' approval at the ensuing AGM. Your Company has received confirmation from the said Auditor that their appointment is within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

CONTROLLA ELECTROTECH PRIVATE LIMITED

ACKNOWLEDGEMENT

Your Directors express their gratitude for the continued cooperation and excellent support received from the Ministry of Corporate Affairs, Srei Infrastructure Finance Limited, the Holding Company, Bankers, Business Associates and various regulatory and Government authorities.

On behalf of the Board of Directors

	Sd/-	Sd/-
Place: Kolkata	**Jugal Kishore Dwivedi**	**Vishnu Gopal Agarwal**
Dated: 16.04.2019	**Director**	**Director**
	DIN: 00540744	**DIN: 02771818**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	U29303WB1991PTC052455
ii)	Registration Date	26-07-1991
iii)	Name of the Company	Controlla Electrotech Private Limited
iv)	Category / Sub-Category of the Company	Company Limited by Share
v)	Address of the Registered office and contact details	Y 10/EP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091
vi)	Whether listed company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. Principal business activities of the Company

Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Leasing of property	68100	97.50

III. Particulars of holding, subsidiary and associate Companies

S. N0	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Srei Infrastructure Finance Limited, Vishwakarma' 86C, Topsia Road (S) Kolkata – 700 046	L29219WB1985PLC055352	Holding	100	2(46) of Companies Act, 2013

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of	Demat	Physical	Total	% of	

				Total Shares				Total Shares	
A. Promoters (1) Indian									
a) Individual/HUF	-	3,000	3,000	8.50	-	3,000	3,000	8.50	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	32,305	32,305	91.50	-	32,305	32,305	91.50	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	-	35,305	35,305	100	-	35,305	35,305	100	-
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	**35,305**	**35,305**	**100**	-	**35,305**	**35,305**	**100**	-
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto	-	-	-	-	-	-	-	-	-

Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**35,305**	**35,305**	**100**	-	**35,305**	**35,305**	**100**	-

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Share holding at the beginning of the year (As on 01.04.2018)			Share holding at the end of the year (As on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Srei Infrastructure Finance Limited	32,305	91.50	-	32,305	91.50	-	-
2	Mr. Hemant Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	500	1.42	-	-	-	-	(1.42)
3	Mr. Shashi Bhushan Tiwari (Beneficial Owner being Srei Infrastructure Finance Limited)	-	-	-	500	1.42	-	1.42
4	Mr. Sunil Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	500	1.42	-	-	-	-	(1.42)
5	Mr. Ganesh Prasad Bagree (Beneficial Owner being Srei Infrastructure Finance Limited)	-	-	-	500	1.42	-	1.42

6	Mr. Gajendra Kr. Singh (Beneficial Owner being Srei Infrastructure Finance Limited)	500	1.42	-	500	1.42	-	
7	Mr. Manoj Beriwala (Beneficial Owner being Srei Infrastructure Finance Limited)	500	1.41	-	500	1.41	-	-
8	Mr. Sandeep Lakhotia (Beneficial Owner being Srei Infrastructure Finance Limited)	500	1.42	-	500	1.42	-	-
9	Mr. Sanjay Kumar Chaurasia (Beneficial Owner being Srei Infrastructure Finance Limited)	500	1.41	-	500	1.41	-	-
	Total	**35,305**	**100**	-	**35,305**	**100**	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	**Particulars**	**Date**	**Shareholding at the beginning of the year (As on 01.04.2018)**		**Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)**	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Srei Infrastructure Finance Limited					
	At the beginning of the year	01.04.2018	32,305	91.50	32,305	91.50
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-	-
	At the end of the year	31.03.2019	-	-	32,305	91.50
2	Mr. Hemant Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	500	1.42	500	1.42
	Decrease during the year	12.04.2018	(500)	(1.42)	-	-
	At the end of the year	31.03.2019	-	-	-	-
3	Mr. Sunil Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	500	1.42	500	1.42
	Decrease during the year	12.04.2018	(500)	(1.42)	-	-
	At the end of the year	31.03.2019	-	-	-	-
4	Mr. Gajendra Kumar Singh (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	500	1.42	500	1.42
	Increase/Decrease during the year	-	-	-	-	-

	At the end of the year	31.03.2019	-	-	500	1.42
5	Mr. Manoj Beriwala (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	500	1.42	500	1.42
	Increase/Decrease during the year	-	-	-	-	-
	At the end of the year	31.03.2019	-	-	500	1.42
6	Mr. Sandeep Lakhotia (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	500	1.41	500	1.41
	Increase/Decrease during the year	-	-	-	-	-
	At the end of the year	31.03.2019	-	-	500	1.41
7	Mr. Sanjay Kumar Chaurasia (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	500	1.41	500	1.41
	Increase/Decrease during the year	-	-	-	-	-
	At the end of the year	31.03.2019	-	-	500	1.41
8	Mr. Shashi Bhushan Tiwari (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	-	-	-	-
	Increase during the year	12.04.2018	500	1.42	500	1.42
	At the end of the year	31.03.2019	-	-	500	1.42
9	Mr. Ganesh Prasad Bagree (Beneficial Owner being Srei Infrastructure Finance Limited)					
	At the beginning of the year	01.04.2018	-	-	-	-
	Increase during the year	12.04.2018	500	1.42	500	1.42
	At the end of the year	31.03.2019	-	-	500	1.42

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	-	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year (31.03.2019)	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total amount
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit	-	-	-	-	-

	- others, specify...					
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		Mr. Jugal Kishore Dwivedi	Mr. Vishnu Gopal Agarwal*	Mr. Manoj Kumar Beriwala**	
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act		3% of the net profit		

* Appointed as an Additional Director w.e.f. 30.08.2018

** Resigned as a Director w.e.f. 31.08.2018

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-

3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. Penalties / punishment/ compounding of offences

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the Board of Directors

Sd/-
Jugal Kishore Dwivedi
Director
DIN: 00540744

Sd/-
Vishnu Gopal Agarwal
Director
DIN: 07221818

Date: 16.04.2019

Place: Kolkata

P. K. DROLIA & CO.
Chartered Accountants
9, Crooked Lane, 3rd Floor,
Kolkata - 700 069
Tel +91 33 4001 5098
Mobile : 98300 99491
E-mail : pkdroliaco@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of CONTROLLA ELECTROTECH PRIVATE LIMITED

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **CONTROLLA ELECTROTECH PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs),as 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 standalone 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 together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the standalone Ind AS financial statements.

Other Information

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

Our opinion on the standalone 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibility of Management for the standalone Ind AS Financial Statements

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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 control 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 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these standalone Ind AS financial statements, have been audited by us, and we expressed an unmodified opinion on those statements on March 31, 2018.

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, report for the year ended March 31, 2018 and March 31, 2017 dated April 12, 2018 and April 17, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;

   (c) The Balance Sheet, the Statement of Profit and Loss [including the Statement of Other Comprehensive Income], the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

(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, as amended 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 standalone Ind AS financial statements – Refer Note 28 to the standalone 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P.K.Drolia & Co.
Chartered Accountants
Firm Registration No.316057E

Sd/-
P. K. Drolia
Partner
Membership No.52629
Place : Kolkata
Date :

ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) The title deed of immovable properties are held by the company in its own name as per the documents produced before us.

(ii) The Company has no inventory. Accordingly, the provisions stated in paragraph 3 (ii) of the order are not applicable.

(iii) As informed, The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions stated in paragraph 3(iii) (a) to (c) of the order are not applicable.

(iv) The Company has neither given any loan nor made any investment under the provisions of section 185 and 186 of the Companies Act 2013 but has given guarantee and provided security to its holding company and has complied with the provisions of section 185 and 186 of the Companies Act 2013.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, hence directives issued by the Reserve Bank of India and provision of Sections 73 to 76 of the Companies Act are not applicable.

(vi) As explained to us and to the best of our knowledge and belief, the maintenance of Cost records under Section 148(1) of the Companies Act,2013 are not applicable to the Company.

(vii) (a) According to the information and explanations given to us, The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and no undisputed amounts payable in respect thereof were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, dues of income tax which has not been deposited by the Company on account of dispute is disclosed in note 28 to the Financial Statement.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans & borrowings a financial institution, bank, government or dues to debenture holders.

"ANNEXURE A" TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **CONTROLLA ELECTROTECH (P) LIMITED** on the financial statements for the year ended 31/03/2018]

(ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has neither raised any money by the way of initial public offer or further public offer (including debt instrument) nor taken any term loan during the year. Therefore, clause (ix) of the paragraph 3 of the said order is not applicable to the Company.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

(xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) On the basis of our examination of records and according to the information and explanations given to us, the Company has entered into transactions with the related parties and have complied with the provisions of Section 127 and 188 of the Act. The names of related parties as required by Accounting Standard 18 have been disclosed in the Financial Statements.

(xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.

(xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company.

(xvi) On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For P.K.Drolia & Co.
Chartered Accountants
Firm Registration No.316057E

Sd/-
P. K. Drolia
Partner
Membership No.52629
Place : Kolkata
Date :

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CONTROLLA ELECTROTECH PRIVATE LIMITED** ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note")issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 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 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 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 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting 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.

For P.K.Drolia & Co.
Chartered Accountants
Firm Registration No.316057E

Sd/-
P. K. Drolia
Partner
Membership No.52629
Place : Kolkata
Date :

CONTROLLA ELECTROTECH PRIVATE LIMITED
CIN: U2930WB1991PTC052455

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	**ASSETS**				
	Non Current Assets				
	(a) Property, Plant and Equipment	2	33.40	42.26	51.12
	(b) Investment Property	3	1,801.32	1,837.71	1,874.10
	(c) Financial Assets				
	(i) Other Financial Assets	4(i)	54.61	54.75	49.30
	(d) Other Non Current Assets	5	16.94	10.21	1.27
	Total Non - Current Assets		1,906.27	1,944.93	1,975.79
	Current Assets				
	(a) Financial Assets				
	(i) Cash and Cash Equivalents	6	23.38	2.95	0.78
	(ii) Other Bank Balances	7	-	10.92	29.96
	(iii) Other Financial Assets	4(ii)	3.00	0.24	0.69
	(b) Other Current Assets	8	0.47	0.76	-
	Total Current Assets		26.85	14.87	31.43
	TOTAL ASSETS		1,933.12	1,959.80	2,007.22
II.	**EQUITY AND LIABILITY**				
	EQUITY				
	(a) Equity Share Capital	9	3.53	3.53	3.53
	(b) Other Equity	10	(477.35)	(444.22)	(17.92)
	Total Equity		(473.82)	(440.69)	(14.39)
	LIABILITIES				
	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Other financial liabilities	11(i)	-	-	630.06
	(b) Deferred Tax liabilities (Net)	12	-	-	131.36
	(c) Other Non Current Liabilities	13	-	-	1,259.81
	Total Non - Current Liabilities		-	-	2,021.23
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Trade Payable				
	- Due to Micro, Small and Medium Enterprises	14	-	-	-
	(ii) Other Financial Liabilities	11(ii)	2,400.35	2,400.28	0.28
	(b) Other Current Liabilities	15	6.59	0.21	0.10
	Total Current Liabilities		2,406.94	2,400.49	0.38
	TOTAL EQUITY AND LIABILITIES		1,933.12	1,959.80	2,007.22

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. : 31605AE

Sd/-

CA P.K. Drolia
Partner
Membership No. : 052629

Place : Kolkata
Date:

On behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No

CONTROLLA ELECTROTECH PRIVATE LIMITED
CIN: U2930WB1991PTC052455

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue From Operations	16	156.00	1,264.04
II.	Other Income	17	4.00	4.58
III.	Total income (I+II)		160.00	1,268.62
IV.	Expenses:			
	Finance Cost	18	120.00	1,769.93
	Depreciation and Amortisation Expense	19	45.25	45.25
	Other Expenses	20	27.55	9.16
	Total Expenses (IV)		192.80	1,824.34
V.	Profit Before Exceptional Items and Tax (III-IV)		(32.80)	(555.72)
VI.	Exceptional Items		-	-
VII.	Profit Before Tax (V-VI)		(32.80)	(555.72)
VIII.	Tax Expense	21		
	Current Tax		0.33	1.94
	Deferred Tax		-	(131.36)
IX.	Profit For The Year (VII-VIII)		(33.13)	(426.30)
X.	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		-	-
XI.	Total Comprehensive Income For The Year (IX + X)		(33.13)	(426.30)
XII.	Earnings Per Equity Share (of Rs. 10/- each)	26		
	Basic (Rs.)		(93.84)	(1,207.49)
	Diluted (Rs.)		(93.84)	(1,207.49)

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. : 316057E

On behalf of the Board of Directors

Sd/-
CA P.K. Drolia
Partner
Membership No. : 052629

Sd/-
Director
Din No.

Sd/-
Director
Din No.

Place : Kolkata
Date:

CONTROLLA ELECTROTECH PRIVATE LIMITED
CIN: U2930WB1991PTC052455

Statement of Cash Flows for the year ended March 31, 2019

(Rs. in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flows from Operating Activities		
Profit Before Tax	(32.80)	(555.72)
Adjustment for :		
Depreciation and Amortization Expense	45.25	45.25
Finance costs	120.00	1,769.93
Interest Income	(4.00)	(4.58)
Operating profit before working capital changes	128.45	1,254.88
Changes in working capital :		
Increase / (Decrease) in Trade Receivables, Loans, Advances and Other Assets	0.29	(10.76)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	6.45	510.24
Cash generated/(used) in operations	135.19	1,754.36
Income Tax Paid (Net)	(7.06)	(0.88)
Net Cash used in Operating Activities	128.13	1,753.48
B. Cash flows from Investing Activities		
(Increase)/decrease in fixed deposit	11.06	13.59
Interest Received	1.24	5.03
Net Cash used in Investing Activities	12.30	18.62
C. Cash Flows from Financing Activities		
Interest paid	(120.00)	(1,769.93)
Net Cash generated from Financing Activities	(120.00)	(1,769.93)
Net Increase / (Decrease) in Cash and Cash Equivalents	20.43	2.17
Cash & Cash Equivalents at the beginning of the year	2.95	0.78
Cash and Cash Equivalents at the end of the period (refer note 8)	23.38	2.95

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

2) Components of Cash and Cash Equivalents:

	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.04	0.05
In Current Account	3.34	2.90
Fixed Deposits with original maturity period less than three months	20.00	-
	23.38	2.95

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. : 316057E

On behalf of the Board of Directors

Sd/-
CA P.K. Drolia
Partner
Membership No : 052629

Sd/-
Director
Din No

Sd/-
Director
Din No.

Place Kolkata
Date:

CONTROLLA ELECTROTECH PRIVATE LIMITED
CIN: U2930WB1991PTC052455

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

(Rs. in Lakhs)

Particulars	As at April 1, 2017	Issued/(reduction) during the year 2017-18	As at March 31, 2018	Issued/(reduction) during the year 2018-19	As at March 31, 2019
Equity Share Capital	3.53	-	3.53	-	3.53

B. Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus		Total
	Secutities Premium	Retained Earnings	
IGAAP Balance as at April 01, 2017	31.74	(428.43)	(396.69)
Transition Adjustment		378.77	378.77
Balance as at April 01, 2017	31.74	(49.66)	(17.92)
Profit for the year ended March 31, 2018	-	(426.30)	(426.30)
Balance as at March 31, 2018	31.74	(475.96)	(444.22)
Profit for the year ended March 31, 2019	-	(33.13)	(33.13)
Balance as at March 31, 2019	31.74	(509.09)	(477.35)

Securities Premium Reserves:
Securities premium reserves is issued to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act,2013,

Retained Earnings:
This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. : 316057E

On behalf of the Board of Directors

Sd/-
CA P.K. Drolia
Partner
Membership No. : 052629

Sd/-
Director
Din No.

Sd/-
Director
Din No.

Place : Kolkata
Date:

CONTROLLA ELECTROTECH PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Controlla Electrotech Private Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046. The Company is engaged in Real Estate related Services.

(B) Recent Pronouncement

The Company has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective
<u>Ind AS 116-</u>

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

<u>Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12</u>

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

<u>Prepayment Features with Negative Compensation, Amendments to Ind AS 109</u>

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

.Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(C) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 22.

(D) First Time Policy Choices

i) De-recognition of financial assets and financial liabilities

The Company has applied the De-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2017 (the transition date).

ii) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

iii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(E) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characte[illegible] into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.16- Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Investments in subsidiaries, associates and joint ventures

Investment in associates and joint ventures are accounted for at cost. Cost is arrived at on weighted average method for the purpose of valuation of investments.

Equity Investment in subsidiaries are carried at cost less accumulated impairment, if any.
When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.4. Revenue

Income rental and business centre is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.5. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6. Foreign Currency Transactions

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

Non-Financial Instruments - foreign currency translation policy:
Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:
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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:
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. Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in other comprehensive income

1.7. Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.8. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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

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

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.

Estimated useful life of the assets determined is as under:

- Buildings- 60 years
- Plant and machinery- 15 years
- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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

Leasehold assets including improvements are amortised over the period of the lease. Freehold Land is not depreciated.

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

1.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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

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

1.10. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or deprecia[illegible] had no impairment loss been recognised in previous years.

1.11. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

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

1.12. Taxes on Income
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 by the end of the reporti

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.13. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.14. Provisions

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

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

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

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 and the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets

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

1.15. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Real Estate Services.

1.16. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations, that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of property plant and equipment and investment property.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Useful lives of property, plant and equipment:**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) **Fair value measurements and valuation processes:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Claims, Provisions and Contingent Liabilities:**

Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

1.17. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.18. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

CONTROLLA ELECTROTECH PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

2 Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ Impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Plant & Machinery	51.12	-	-	51.12	8.86	8.86	-	17.72	33.40
Total Tangible assets	51.12	-	-	51.12	8.86	8.86	-	17.72	33.40

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Plant & Machinery	51.12	-	-	51.12	-	8.86	-	8.86	42.26
Total Tangible assets	51.12	-	-	51.12	-	8.86	-	8.86	42.26

CONTROLLA ELECTROTECH PRIVATE LIMITED

Notes to the financial statement for the year ended March 31, 2019

3 Investment Property

(Rs. in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Land	8.99	-	-	8.99	-	-	-	-	8.99
Building #	1,865.11		-	1,865.11	36.39	36.39		72.78	1,792.33
Total Tangible assets	1,874.10	-	-	1,874.10	36.39	36.39	-	72.78	1,801.32

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Land	8.99	-	-	8.99	-	-	-	-	8.99
Building #	1,865.11	-	-	1,865.11	-	36.39	-	36.39	1,828.72
Total Tangible assets	1,874.10	-	-	1,874.10	-	36.39	-	36.39	1,837.71

Mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible Debentures aggregating to Rs.0.70 Crores by Srei Infrastructure Finance Limited, the holding company in favour of the Debenture Trustee, Axis Trustee Services Limited.

CONTROLLA ELECTROTECH PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

4(i) Other Financial assets - non current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security Deposit	2.56	2.56	2.56
Bank deposit with more than 12 months maturity (measured at amortised cost)	52.05	52.19	46.74
(Rs.46.74 Lakhs Under Lien with bank as margin money against Bank Guarantee)			
Total	54.61	54.75	49.30

4(ii) Other Financial assets - current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued but not due	3.00	0.24	0.69
Total	3.00	0.24	0.69

5 Other Non Current Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & Tax Deducted At Source	22.93	5.87	4.99
Less: Provision for taxation	(5.99)	(5.66)	(3.72)
	16.94	0.21	1.27
Advance against property tax	-	10.00	-
Total	16.94	10.21	1.27

6 Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.04	0.05	-
Balances with Banks in current account	3.34	2.90	0.78
Bank deposit with original maturity upto 3 months	20.00	-	-
Total	23.38	2.95	0.78

7 Other Bank Balances

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Bank deposit with balance maturity upto 12 months	-	10.92	29.96
Total	-	10.92	29.96

8 Other Current Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid Expenses	0.47	0.76	-
Total	0.47	0.76	-

CONTROLLA ELECTROTECH PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

9 Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs. in Lakh	Number	Rs. in Lakh	Number	Rs. in Lakh
Authorised						
Equity Shares of Rs. 10 each	50,000	5.00	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00	50,000	5.00
Issued, Subscribed & Paid up						
Equity Shares of Rs. 10 each fully paid up	35,305	3.53	35,305	3.53	35,305	3.53
Total	35,305	3.53	35,305	3.53	35,305	3.53

The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

9.1 Equity shares issued/bought back during the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs. in Lakh	Number	Rs. in Lakh	Number	Rs. in Lakh
Shares outstanding at the beginning of the year	35,305	3.53	35,305	3.53	35,305	3.53
Shares Issued during the year	-	-	-	-	-	-
Shares Forfeiture	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	35,305	3.53	35,305	3.53	35,305	3.53

9.2 Details of Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates :-

Name of Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited *	35,305	100.00	35,305	100.00	35,305	100.00

9.3 Details of shareholder holding more than 5% shares :-

Name of Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited *	35,305	100.00	35,305	100.00	35,305	100.00

* Includes 3000 Equity shares held by nominee of Srei Infrastructure Finance Limited.

10 Other Equity (Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Share Premium	31.74	31.74	31.74
b) Retained Earnings			
Balance as per last accounts	(475.96)	(49.66)	(428.43)
IND AS Transition Impact	-	-	378.77
Net Profit/(Loss) for the Year	(33.13)	(426.30)	-
Closing Balance	(509.09)	(475.96)	(49.66)
Total (a+b)	(477.35)	(444.22)	(17.92)

11(i) Other Financial Liabilities - Non Current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security Desposit taken - measured at amortised cost	-	-	630.06
Total	-	-	630.06

11(ii) Other Financial Liabilities - Current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security Deposit taken-measured at amortised cost	2,400.00	2,400.00	-
Liabilities for expenses	0.35	0.28	0.28
Total	2,400.35	2,400.28	0.28

12 Deferred Tax liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Component of defered tax liabilities			
Security deposit measured at amortised cost	-	-	131.36
Total	-	-	131.36

13 Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid Rent Received	-	-	1,259.81
Total	-	-	1,259.81

14 Trade Payables

(A) Due to Micro, Small and Medium Enterprises

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

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

15 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Liabilities	6.59	0.21	0.10
Total	6.59	0.21	0.10

16 Revenue From Operations

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Rent Income*	-	1,264.04
Income from Business Centre	156.00	-
Total	156.00	1,264.04

* Prepaid rent received liability arising on account of fair value accounting of Financial Instrument on transition date has been reversed in FY 2017-18 due to cancellation of rental agreement. Rent Income for FY 2017-18 includes Rs.1259.81 Lakhs on account of such reversal of prepaid rent received liability. Consequential impact on reinstatement of Financial Instrument has been accounted as Finance Cost amounting to Rs.1769.93 Lakhs in FY 2017-18.

17 Other Income

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Interest on Fixed Deposits	4.00	4.58
Total	4.00	4.58

18 Finance Cost

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Interest expense on Security deposit measured at amortised cost (refer footnote of note 16)	120.00	1,769.93
Total	120.00	1,769.93

19 Depreciation and Amortisation Expense

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Depreciation on property, plant and equipments (Refer Note 2 & 3)	45.25	45.25
Total	45.25	45.25

20 Other Expenses

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Rates & Taxes	26.18	7.56
Insurance	0.57	0.77
Legal & Professional Fees	0.21	0.28
Auditor's fees and expenses	0.25	0.19
Bank Charges	0.29	0.36
Miscellaneous Expenses	0.05	-
Total	27.55	9.16

21 Tax Expenses

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Current Tax	0.33	1.84
Tax for earlier year	-	0.10
Total Current Tax	0.33	1.94
Deferred tax	-	(131.36)
Total Deferred Tax	-	(131.36)
Total	0.33	(129.42)

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

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Profit before tax	(32.80)	(555.72)
Statutory Income Tax Rate (under MAT)	25.75%	25.75%
Expected income tax expense at statutory income tax rate	(8.45)	(143.10)
(i) Income exempt from tax/Items not deductible	8.76	13.58
Total Tax Expense recognised in profit and loss	0.31	(129.52)

22 **First Time Adoption**

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,
b. not recognising items of assets or liabilities which are not permitted by Ind AS,
c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.
The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

(ii) Fair value at deemed cost for items of property, plant and equipment

Company has elected to use the carrying amount of items of property, plant and equipment under previous GAAP on the date of transition to Ind AS as deemed cost for Ind AS.

Reconciliation of Total Equity as previously reported under Previous GAAP to IND AS:

Particulars	Note	As at 31.03.2018	As at 01.04.2017
Equity as reported under previous GAAP		(440.69)	(393.16)
Re-measurements on transition to Ind AS			
(1) Fair value of Security deposit received	(i)	-	510.13
(2) Deferred tax on above adjustments	(ii)	-	(131.36)
Total Equity as reported under Ind AS		(440.69)	(14.39)

Reconciliation of Total Comprehensive Income for the year ended 31 March 2018.

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		(47.53)
Adjustments:		
(1) Fair value of Security deposit received	(i)	(510.13)
(2) Deferred tax on above adjustments	(ii)	131.36
Total Comprehensive Income as reported under Ind AS		(426.30)

Footnotes to the reconciliation of equity as at April 1, 2017 and 31st March 2018 and Total Comprehensive Income for the year ended 31st March 2018.

(i) **Fair value of Security deposit received**

Under Previous GAAP, all financial assets and financial liabilities were carried at cost. Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. 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 the financial asset or financial liability.

(ii) **Tax Impact on above adjustments**

Under Previous GAAP, deferred tax was accounted using the income statement approach on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of assets or liabilities in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

23 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use to fund working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

24 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 1 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in Lakhs)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
(i) Cash and Cash Equivalents	23.38	23.38	2.95	2.95	0.78	0.78
(ii) Other Bank Balances	-	-	10.92	10.92	29.96	29.96
(iii) Other Financial Assets	57.61	57.61	54.99	54.99	49.99	49.99
Total financial assets	80.99	80.99	68.86	68.86	80.73	80.73
Financial liabilities						
a) Measured at amortised cost						
(i) Other Financial Liabilities	2,400.35	2,400.35	2,400.28	2,400.28	630.34	630.34
Total financial liabilities	2,400.35	2,400.35	2,400.28	2,400.28	630.34	630.34

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

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 include: cash, cash equivalents, other bank balances and Other receivables.

Other financial liabilities measured at amortised cost

For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade & Other payables.

24 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

B) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on policies and procedures issued by appropriate authorities, internal control systems, process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

a) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial assets						
a) Measured at amortised cost						
(i) Cash and Cash Equivalents	23.38		2.95		0.78	
(ii) Other Bank Balances	-		10.92		29.96	
(iii) Other Financial Assets	3.00	54.61	0.24	54.75	0.69	49.30
Total	26.38	54.61	14.11	54.75	31.43	49.30
Financial liabilities						
a) Measured at amortised cost						
(i) Other Financial Liabilities	2,400.35	-	2,400.28	-	0.28	630.06
Total	2,400.35	-	2,400.28	-	0.28	630.06

c) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

CONTROLLA ELECTROTECH PRIVATE LIMITED

Notes to the financial statement for the year ended March 31, 2019

25 Related Party Disclosures

a) Related Parties list

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
2	Srei Factors Private Limited (w.e.f. 02.01.2019)	India
B	**Holding Company**	
3	Srei Infrastructure Finance Limited (SIFL)	India
C	**Fellow Subsidiaries:**	India
4	Srei Capital Markets Limited	India
5	Srei Alternative Investment Managers Limited	India
6	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
7	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
8	Srei Mutual Fund Trust Private Limited	India
9	Srei Mutual Fund Asset Management Private Limited	India
10	Srei Insurance Broking Private Limited	India
11	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
12	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
13	Quippo Oil & Gas Infrastructure Limited (ceased to be a fellow subsidiary w.e.f. 31.03.2019)	India
14	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to a fellow sub-subsidiary w.e.f. 31.03.2019)	India
15	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
16	Srei Equipment Finance Limited	India
17	Srei Infrastructure Advisors Limited (ceased to be follow Subsidiary w.e.f 12.03.2018)	India
D	**Fellow Associates**	
18	Sahaj e-Village Limited	India
19	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
20	IIS International Infrastructure Services GmbH. Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
21	AO International Infrastructure Services, Russia (Formerly AO Srei Leasing Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
22	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
23	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
E	**Others**	
24	Srei Mutual Fund Trust	India
25	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
F	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
26	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
27	Mr. Vishnu Gopal Agarwal	Non Excecutive Director
28	Mr. Jugal Kishore Dwivedi	Non Excecutive Director
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
	Mr. Hemant Kanoria	Chairman - Holding Company
30	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
31	Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director - Holding Company
32	Mr. S.Rajagopal	Independent Director - Holding Company
33	Mr. S.Chatterjee	Independent Director - Holding Company
34	Dr. Punita Kumar Sinha	Independent Director - Holding Company
35	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
36	Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category -- Independent) - Holding Company
37	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY -- Non Executive Non Independent)- Holding Company
38	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
39	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
40	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
41	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
42	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
43	Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer - Holding Company
44	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
45	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
46	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Internal Auditor - Holding Company
47	Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director - Holding Company
48	Mr. T.C.A. Ranganathan (Upto 07.12.2017)	Independent Director - Holding Company

25 Related Party Disclosures (Cont..)

b) Related Parties transaction

Transactions entered with related parties during the year ended March 31, 2019 and March 31, 2018 are as under:

(Rs. in Lakhs)

Name of related party	Nature of Transactions	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) Holding Company			
Srei Infrastructure Finance Limited	Transactions:		
	Rent Income (including unwinding of security deposit fair valued on initial recognition)	-	1,264.04
	Security Deposit Refunded	2,400.00	-
	Interest expense on Security deposit measured at amortised cost	-	1,769.93
	Collateral security closed during the period on repayment of Secured Redeemable Non-Convertible	-	6,000.00
Fellow Subsidiary			
	Transactions:		
Srei Equipment Finance Limited	Security Deposit taken	2,400.00	-
	Income From Business Centre	156.00	-
	Interest expense on Security deposit measured at amortised cost	120.00	-

Balance due with related parties as on March 31, 2019 , March 31, 2018 and April 01, 2017 are as under:

(Rs. in Lakhs)

Name of related party	Outstanding balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A) Holding Company				
Srei Infrastructure Finance Limited	Outstanding Balances:			
	Security Deposit Taken - Balance measured at amortised cost	-	2,400.00	630.06
	Prepaid rent received	-	-	1,259.81
	Property mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible Debentures	70.00	70.00	6,070.00
Fellow Subsidiary				
Srei Equipment Finance Limited	Outstanding Balances: Security Deposit Balance	2,400.00	-	-

26 Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:

S.No	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
1	Profit/ (Loss) after tax attributable to Equity Shareholders (Rs. In Lakhs)	(33.13)	(426.30)
2	Weighted average number of Equity Shares Basic (Nos.)	35,305	35,305
3	Weighted average number of Equity Shares Diluted (Nos.)	35,305	35,305
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	(93.84)	(1,207.49)
6	Diluted Earnings per share (Rs)	(93.84)	(1,207.49)

27 Segment Reporting

The Company is primarily engaged in a single business segment of Real Estate Services. All the activity of the company revolves around the main business. As such there are no separate reporting segments as per Accounting Standard – 108

CONTROLLA ELECTROTECH PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

28 Contingent Liability and capital commitment

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Contingent Liability			
Bank Guarantee	46.74	46.74	46.74
Income Tax Demand - FY 2010-11	1.22	1.22	1.22
Total	47.96	47.96	47.96
Capital Commitment	-	-	-

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

29 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current reporting year.

As per our report of even date annexed.

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. : 316057E

Sd/-
CA P.K. Drolia
Partner
Membership No. : 052629

Place : Kolkata
Date:

On behalf of the Board of Directors

Sd/-
Director
Din No.

Sd/-
Director
Din No.

SREI

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 9th Annual Report on the business and operations of **Srei Mutual Fund Asset Management Private Limited** (the Company) together with the Audited Financial Statements of your Company for the financial year ended on March 31, 2019.

1. FINANCIAL RESULTS AND OPERATIONS

(Amount in Lakhs)

Particulars	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Total Income	105.20	149.99
Total Expenditure	271.38	132.86
Profit/Loss Before Depreciation	(166.18)	17.13
Depreciation	1.89	3.34
Profit / Loss Before Bad Debts / Provision and Tax	(168.07)	13.79
Bad Debts / Provisions etc.	-	-
Profit / (Loss) Before Tax	(168.07)	13.79
Current tax	-	2.64
Deferred Tax	-	-
Profit / (Loss) After Tax	**(168.07)**	**11.15**
Other Comprehensive Income	3.24	0.04
Total Comprehensive Income for the Year	**(164.83)**	**11.19**
Balance brought forward from previous year	(493.13)	(504.32)
Balance carried to Balance Sheet	**(657.96)**	**(493.13)**
Paid up Equity Share Capital	1850.00	1600.00
Amount transferred to Reserves	-	-

Your Company's Total Income stands at Rs.105.20 Lakh as compared to the previous year Total Income of Rs. 149.99 Lakh and Company has incurred a Loss after tax of Rs.168.07 Lakh as compared to a Profit after tax of Rs. 11.15 Lakh earned in the previous financial year.

2. DIVIDEND

In view of accumulated losses of the previous years, your Directors do not recommend any dividend for the financial year 2018-19.

3. TRANSFER TO RESERVES

The Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2018-19.

4. REVIEW OF OPERATIONS & FUTURE PROSPECTS

Srei Mutual Fund had received Infrastructure Debt Fund (IDF) license from Securities and Exchange Board of India (SEBI).

During the year under review, Srei Infrastructure Finance Limited (the Sponsor) had submitted an application dated 6th February, 2019 with Securities & Exchange Board of India [SEBI] seeking approval for full-fledged mutual fund license.

During the year under review, Srei Mutual Fund (IDF) had no Schemes in operation and your Company had executed a Non-binding Term Sheet with Essel Finance Management LLP for acquisition of Essel Mutual Fund on the terms and conditions as may be mutually agreed upon by the Seller and the Purchaser, subject to receipt of approval from SEBI and other Regulatory Authority, if any.

In view of the proposed acquisition of Essel Mutual Fund, the application submitted by the Sponsor with SEBI has temporarily been put on hold.

During the year under review, your Company had also filed an application with SEBI seeking approval under Section 24 (b) of the SEBI (Mutual Funds) Regulations, 1996 for commencement of Investment Advisory and Research activities.

Your Directors are hopeful that in the coming year/s, your Company would be able to commence the operation for managing full-fledged mutual fund operations.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, no change took place in the nature of business of the Company.

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

7. SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no significant and material order has been passed by Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

8. SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company do not have any Subsidiary Company, Joint Ventures and Associate Company. Hence, disclosure as required under the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5) (iv) of the Companies (Accounts) Rules, 2014 is not applicable to your Company.

9. PUBLIC DEPOSITS

The Company has not invited or accepted any Deposits from Public in terms of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014, therefore, no disclosure was required to be made.

10. STATUTORY AUDITORS

On the recommendation of the Audit Committee and Board of Directors, the Members of the Company at their Annual General Meeting held on June 14, 2018, had ratified the re-appointed M/s Singhi & Co., Chartered Accountants, Kolkata, having Registration No. 302049E allotted by The Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company, to hold office till the conclusion of 9th Annual General Meeting, in accordance with Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013.

Your Company has received confirmation from the said Auditors that their re-appointment is within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013. The Board recommends to the Members the re-appointment of M/s Singhi & Co, Chartered Accountants, Kolkata, as the statutory Auditor of the Company to hold office from the conclusion of 9th Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company.

11. AUDTIORS' REPORT

There is no qualification, reservation or adverse remarks or disclaimer made by the Auditors their Report on accounts of the Company for the financial year ended on 31st March, 2019, hence no explanation from Board is required.

12. CHANGES IN SHARE CAPITAL

During the year under review, in order to maintain the required minimum networth as per SEBI (Mutual Funds) Regulations,1996, your Company has issued and allotted 25,00,000 Equity Shares of Rs.10 each fully paid up for cash at par amounting to Rs. 2,50,00,000 (Rupees Two Crore Fifty Lakh) to Srei Infrastructure Finance Limited, the Holding Company, on Right's Issue basis.

13. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9 is annexed hereto as **Annexure A** and forms an integral part of the Directors' Report.

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

The disclosure with regard to conservation of energy and technology absorption, as required under the provisions of the Companies Act, 2013, is not applicable to your Company.

Your Company has not utilized or earned any foreign exchange during the year under review (Previous Year - Nil).

15. DIRECTOR AND KEY MANAGERIAL PERSONNEL

DIRECTOR

Dr. T.K.Mukhopadhyay and Mr. Man Mohan Agrawal were appointed as Independent Directors of your Company at the 4th Annual General Meeting held on 31st July, 2014 to hold office for a period of five years i.e. up to the date of ensuing Annual General Meeting of the Company.

The Board of Directors of your Company recommends to the Members of the Company for their approval the re-appointment of aforesaid Independent Directors to hold office for another term of five years i.e. from the conclusion of ensuing 9th AGM till the date of 14th AGM of the

Company. The Board recommends the said re-appointment based on performance evaluation of these Independent Directors.

During the year under review, Mr. Sanjeev Sancheti, Director of your Company, resigned effect from 1st June, 2018. Your Directors placed on records their appreciation for valuable contribution made by Mr. Sancheti during his tenure as Director of your Company.

Further, Mr. Murli Manohar Khemka has resigned as Director of your Company with effect from 21st June, 2019. Your Directors placed on record their appreciation for valuable contribution made by Mr. Murli Manohar Khemka during his tenure as a Director of your Company.

Mr. Shishir Jain has been appointed as an Additional Director of your Company to hold office upto the date of ensuing Annual General Meeting. The Board recommends the appointment of Mr. Shishir Jain as a Director of your Company at the ensuing Annual General Meeting.

No remuneration is paid to any of the aforesaid Directors except payment of sitting fees to the Independent Directors for Board/Committee meetings attended by them.

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Jaideep Bhattacharya was appointed as Chief Executive Officer (CEO) of the Company with effect from April 23, 2018.

During the year under review Ms. Swati Singh had resigned as Company Secretary & Compliance Officer of the Company with effect from August 31, 2018. Further, Mr. Swapnil Walimbe, who was appointed as Company Secretary & Compliance Officer of the Company with effect from September 05, 2018 had resigned as such with effect from January 11, 2019.

Ms. Manisha Tewary, Chief Financial Officer (CFO) of the Company has resigned as CFO to be effective from April 30, 2019 and in her place Mr. Saurav Jhunjhunwala was appointed as CFO of your Company effective from May 01, 2019.

Your Directors placed on records their appreciation for valuable services rendered by the outgoing KMPs during their tenure.

16. MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2018-19, Eight Meetings of Board of Directors of your Company were held, the particulars of which are as under:

Sl. No.	Date of Board Meeting	Directors Present
1	11th April, 2018	Dr. Tapan Kumar Mukhopadhyay Mr. Sanjeev Sancheti
2	21st April, 2018	Dr. Tapan Kumar Mukhopadhyay

		Mr. Sanjeev Sancheti Mr. Murli Manohar Khemka
3	17th July, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay Mr. Murli Manohar Khemka
4	5th September, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay
5.	12th October, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay
6.	26th October, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay
7.	14th December, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay
8.	14th January, 2019	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay

The maximum time gap between any two consecutive meetings did not exceed 120 days.

17. AUDIT COMMITTEE

During the Financial Year 2018-19, Five Meetings of Audit Committee of Board were held, the particulars of which are as under:

Sl. No.	**Date of Audit Committee Meeting**	**Members Present**
1	11th April, 2018	Dr. Tapan Kumar Mukhopadhyay Mr. Sanjeev Sancheti
2	17th July, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay

		Mr. Murli Manohar Khemka
3	12th October, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay
4	26th October, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay
5.	14th January, 2019	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay

The Audit Committee presently comprised of (a) Mr. Man Mohan Agrawal, Independent Director (b) Dr. Tapan Kumar Mukhopadhyay, Independent Director and (c) Mr. Murli Manohar Khemka, Associate Director as Members of the Committee.

18. NOMINATION AND REMUNERATION COMMITTEE (NRC)

During the Financial Year 2018-19, Five meetings of Nomination & Remuneration Committee of Board were held, the particulars of which are as under:

Sl. No.	Date of Nomination & Remuneration Committee Meeting	Members Present
1	11th April, 2018 [Adjourned for want of Quorum]	Dr. Tapan Kumar Mukhopadhyay
2	21st April, 2018	Dr. Tapan Kumar Mukhopadhyay Mr. Murli Manohar Khemka
3.	5th September, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay
4.	12th October, 2018	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay
5.	14th January, 2019	Mr. Man Mohan Agrawal Dr. Tapan Kumar Mukhopadhyay

The Nomination & Remuneration Committee of your Company presently comprised of Dr. Tapan Kumar Mukhopadhyay, Independent Director, Mr. Man Mohan Agrawal, Independent Director and Mr. Murli Manohar Khemka, Associate Director, as Members of the Committee.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2018-19, the Company has not given any loan or guarantees or made any investment in securities of other body corporates, except Inter Corporate Deposit of Rs. 13.14 Crores (including call money of Rs.1.99 Crores) placed with Srei Infrastructure Finance Limited, the Holding Company.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, your Company has not entered into any contract / arrangements with its related parties as referred to in sub-section 1 of Section 188 of the Companies Act, 2013, therefore, no disclosure is required to be made in Form No. AOC-2.

21. PARTICULARS OF EMPLOYEES

The Company, being an unlisted company, is not required to make the disclosure under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

22. RISK MANAGEMENT POLICY

The Company has proper procedures in place for development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

23. INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System commensurate with the nature of its business and size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to policies and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

24. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act), your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates 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 and of the profit of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended March 31, 2018 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Further, your Directors confirm that your Company has adequate internal systems and controls in place to ensure compliance of laws applicable to your Company.

25. STATEMENT UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to your Company.

26. DISCLOSURE UNDER SECTION 148 (1) OF THE COMPANIES ACT, 2013

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not made and maintained.

27. Compliances of Secretarial Standards

The Company has complied with the provisions of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), during the year under review.

28. CORPORATE SOCIAL RESPONSIBILITY:

The provisions with regard to constitution of Corporate Social Responsibility (CSR) Committee, CSR contribution and adoption of the CSR Policy is not applicable to your Company.

29. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the sustained support and co-operation received from the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Bankers, Clients, Business Associates and Holding Company viz. Srei Infrastructure Finance Limited. Your Directors also wish to place on record their deep appreciation to the employees for their whole hearted and dedicated services and look forward to their continued support in the future as well.

On behalf of the Board of Directors

For SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED

	Sd/-	Sd/-
Place :	**Director**	**Director**
Date :	DIN:	DIN:

Srei Mutual Fund Asset Management Private Limited
CIN: U65990WB2009PTC139801
Corporate Office: Ground Floor, Executive Block, Paradise, 51K/51L, Bhulabhai Desai Road, Breach Candy, Mumbai – 400026
Regd. Office: 'Vishwakarma' 86-C Topsia Road (South), Kolkata-700 046
Tel: +91 22 66284201, Fax No. 91 22 66284208

ANNEXURE-A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	U65990WB2009PTC139801
ii)	Registration Date	27-11-2009
iii)	Name of the Company	Srei Mutual Fund Asset Management Private Limited
iv)	Category / Sub-Category of the Company	Asset Management Company
v)	Address of the Registered office and contact details	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046
vi)	Whether listed company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited

II. Principal business activities of the company

Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	N.A.	N.A.	N.A.

III. Particulars of holding, subsidiary and associate companies

S. N0	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Srei Infrastructure Finance Limited, Vishwakarma` 86C, Topsia Road (S) Kolkata – 700 046	L29219WB1985PLC055352	Holding	100	2(46) of Companies Act, 2013

SREI

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters **(1) Indian**									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	16,000,000	16,000,000	100	18,499,400	600	18,500,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**16,000,000**	**16,000,000**	**100**	**18,499,400**	**600**	**18,500,000**	**100**	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	**16,000,000**	**16,000,000**	**100**	**18,499,400**	**600**	**18,500,000**	**100**	-
B. Public Shareholding									
1. Institutions									

SREI

a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-

Srei Mutual Fund Asset Management Private Limited
CIN: U65990WB2009PTC139801
Corporate Office: Ground Floor, Executive Block, Paradise, 51K/51L, Bhulabhai Desai Road, Breach Candy, Mumbai – 400026
Regd. Office: 'Vishwakarma' 86-C Topsia Road (South), Kolkata-700 046
Tel: +91 22 66284201, Fax No. 91 22 66284208

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	16,000,000	16,000,000	100	18,499,400	600	18,500,000	100	-

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Srei Infrastructure Finance Limited	1,59,99,400	99.9961	-	1,84,99,400	99.9961	-	-
2	Mr. Kamal Kishore Sharma (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.0006	-	100	0.0006	-	-
3	Mr. Sandeep Lakhotia (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.0006	-	100	0.0006	-	-
4	Mr. Sanjeev Sancheti (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.0006	-	100	0.0006	-	-
5	Mr. Shashi Bhushan Tiwari (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.0007	-	100	0.0007	-	-
6	Mr. Sanjay Kumar Chaurasia (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.0007	-	100	0.0007	-	-
7	Mr. Samir Kumar Kejriwal (Beneficial	100	0.0007	-	100	0.0007	-	-

SREI

	Owner being Srei Infrastructure Finance Limited)							
	Total	**1,60,00,000**	**100**	-	1,85,00,000	**100**	-	-

iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**1,60,00,000**	**100**	**1,60,00,000**	**100**
	Increase in promoters holding on account of allotment of equity shares during the year	-	-	25,00,000	-
	At the end of the year	**1,60,00,000**	**100**	**1,85,00,000**	**100**

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

Srei Mutual Fund Asset Management Private Limited
CIN: U65990WB2009PTC139801
Corporate Office: Ground Floor, Executive Block, Paradise, 51K/51L, Bhulabhai Desai Road, Breach Candy, Mumbai – 400026
Regd. Office: 'Vishwakarma' 86-C Topsia Road (South), Kolkata-700 046
Tel: +91 22 66284201, Fax No. 91 22 66284208

SREI

v) **Shareholding of Directors and Key Managerial Personnel (KMP):**

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments

	Secured Loans Excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due (Net of TDS)	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	- -	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year (31.03.2019)	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

SREI

VI. Remuneration of Directors and KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager				Total amount (Rs.)
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	N.A.				

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Total Amount (Rs. In Lakhs)		
		Mr. M. M.Agrawal	Dr. T. K. Mukhopadhyay	Total
	Independent Directors • Fee (Rs.) for attending board / committee meetings • Commission • Others, please specify	Rs 2.70 Lakhs - -	Rs 3.50 Lakhs - -	Rs 6.20 Lakhs - -
	Total (1)	**Rs 2.70 Lakhs**	**Rs 3.50 Lakhs**	**Rs 6.20 Lakhs**
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- - -	- - -	- - -

	Total (2)	-	-	-
	Total (B)=(1+2)	**Rs 2.70 Lakhs**	**Rs 3.50 Lakhs**	**Rs 6.20 Lakhs**
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

C. **Remuneration to key managerial personnel other than MD/Manager/WTD**

(Rs. in Lakhs)

Sl. no.	**Particulars of Remuneration**	**Key Managerial Personnel**				
		CEO	**Company Secretary**		**CFO**	Total
			Ms. Swati Singh (resigned with effect from 31.08.2018)	Mr. Swapnil Walimbe (from 05.09.2018 to 11.01.2019)		
1.	Gross salary (Rs.)					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	161.36	2.90	13.07	14.02	191.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.30	-	-	-	0.30
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total	**161.66**	**2.90**	**13.07**	**14.02**	**191.65**

Srei Mutual Fund Asset Management Private Limited
CIN: U65990WB2009PTC139801
Corporate Office: Ground Floor, Executive Block, Paradise, 51K/51L, Bhulabhai Desai Road, Breach Candy, Mumbai – 400026
Regd. Office: 'Vishwakarma' 86-C Topsia Road (South), Kolkata-700 046
Tel: +91 22 66284201, Fax No. 91 22 66284208

VII. Penalties / punishment/ compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the Board of Directors

For Srei Mutual Fund Asset Management Private Limited

Sd/- **Director** **DIN:**

Sd/- **Director** **DIN:**

Place:
Date:

Singhi & Co.

Chartered Accountants

161, SARAT BOSE ROAD, KOLKATA-700 026, (INDIA)

✆ : +91(0)33-2419 6000/01/02 • E-mail : kolkata@singhico.com • Website : www.singhico.com

INDEPENDENT AUDITOR'S REPORT

To the Members of SREI Mutual Fund Asset Management Private Limited

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **SREI Mutual Fund Asset Management Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs),as 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 standalone 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 together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the standalone Ind AS financial statements.

Other Information

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

Our opinion on the standalone 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibility of Management for the standalone Ind AS Financial Statements

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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 control 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 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these standalone Ind AS financial statements, have been audited by us, and we expressed an unmodified opinion on those statements on March 31, 2018.

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, report for the year ended March 31, 2018 and March 31, 2017 dated April 11, 2018 and April 17, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

(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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position in its standalone 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

ForSinghi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Aditya Singhi
Partner
Membership No. 305161

Place: Kolkata
Date: 26th April, 2019

ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. **Clause (i) of Paragraph 3 of the Order**

(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programmed of physical verification of its fixed assets by which fixed assets are verified in a periodical order. In accordance with this programmed, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable properties hence paragraph 1(i) (c) of the Order is not applicable to the Company.

ii. Matters specified in clauses (ii), (iii), (v), (vi), (viii),(ix), (xi) , (xii), , (xv) and (xvi) of paragraph 3 of the CARO 2015 as amended do not apply to the company.

iii. Clause (iv) of paragraph 3 of the Order

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

iv. Clause (vii) of Paragraph 3 of the Order

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, Goods and Service Tax, duty of customs, , cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities and there are no undisputed dues which is outstanding for more than six months from the balance sheet date.

(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, Goods and Service tax, duty of customs, duty of excise, and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

v. Clause (x) of Paragraph 3 of the Order

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

vi. Clause (xiii) of Paragraph 3 of the Order

According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable accounting standards.

vii. Clause (xiv) of Paragraph 3 of the Order

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of shares by way of rights issue of equity share to the holding company. The same has been made in compliance with the provisions of the Companies Act, 2013.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sd/-

(Aditya Singhi)
Partner
Membership No. 305161

Place: Kolkata
Date: 26th April, 2019

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ' ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financialcontrols based on the internal control over financial reporting criteriaestablished by the Company considering the essential components of internal control stated inthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note")issued bythe Institute of Chartered Accountants of India. These responsibilities include the design,implementation and maintenance of adequate internal financial controls that were operatingeffectively for ensuring the orderly and efficient conduct of its business, including adherence tocompany's policies, the safeguarding of its assets, the prevention and detection of frauds anderrors, the accuracy and completeness of the accounting records, and the timely preparation ofreliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls overfinancial reporting based on our audit. We conducted our audit in accordance withthe Guidance Note and the Standards on Auditing prescribedunder Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit ofinternal financial controls. 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 over financial reporting was 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to providea 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 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 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 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting 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.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Aditya Singhi
Partner
Membership No. 305161

Place: Kolkata
Date: 26th April, 2019

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD
CIN: U65990WB2009PTC139801

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue From Operations	16	-	50.00
II.	Other Income	17	105.20	99.99
III.	**Total income (I+II)**		**105.20**	**149.99**
IV.	**Expenses:**			
	Employee Benefits Expense	18	231.10	108.73
	Depreciation and Amortisation Expense	19	1.89	3.34
	Other Expenses	20	40.28	24.13
	Total Expenses (IV)		**273.27**	**136.20**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**(168.07)**	**13.79**
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		**(168.07)**	**13.79**
VIII.	**Tax Expense**	21		
	Current Tax		-	2.64
	Deferred Tax		-	-
IX.	**Profit For The Year (VII-VIII)**		**(168.07)**	**11.15**
X.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss:			
	- Remeasurement of the defined benefit plans		3.24	0.04
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		3.24	0.04
XI.	**Total Comprehensive Income For The Year (IX + X)**		**(164.83)**	**11.19**
XII.	**Earnings Per Equity Share (of Rs. 10/- each)**	28		
	Basic (Rs.)		(0.98)	0.07
	Diluted (Rs.)		(0.98)	0.07

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

Sd/-
Aditya Singhi
Partner
Membership No. 305161
Place: Kolkata

For and on behalf of the Board of Directors

Sd/-
Directors
Din No
Place: Mumbai

Sd/-
Directors
Din No
Place: Mumbai

Sd/-
Manisha Tewary
CFO
Place: Kolkata

Sd/-
Jaideep Bhattacharya
CEO
Place: Mumbai

Date : 26th April, 2019

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD
CIN: U65990WB2009PTC139801

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue From Operations	16	-	50.00
II.	Other Income	17	105.20	99.99
III.	**Total income (I+II)**		**105.20**	**149.99**
IV.	**Expenses:**			
	Employee Benefits Expense	18	231.10	108.73
	Depreciation and Amortisation Expense	19	1.89	3.34
	Other Expenses	20	40.28	24.13
	Total Expenses (IV)		**273.27**	**136.20**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**(168.07)**	**13.79**
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		**(168.07)**	**13.79**
VIII.	**Tax Expense**	21		
	Current Tax		-	2.64
	Deferred Tax		-	-
IX.	**Profit For The Year (VII-VIII)**		**(168.07)**	**11.15**
X.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss:			
	- Remeasurement of the defined benefit plans		3.24	0.04
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		3.24	0.04
XI.	**Total Comprehensive Income For The Year (IX + X)**		**(164.83)**	**11.19**
XII.	**Earnings Per Equity Share (of Rs. 10/- each)**	28		
	Basic (Rs.)		(0.98)	0.07
	Diluted (Rs.)		(0.98)	0.07

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

Sd/-
Aditya Singhi
Partner
Membership No. 305161
Place: Kolkata

For and on behalf of the Board of Directors

Sd/-
Directors
Din No
Place: Mumbai

Sd/-
Directors
Din No
Place: Mumbai

Sd/-
Manisha Tewary
CFO
Place: Kolkata

Sd/-
Jaideep Bhattacharya
CEO
Place: Mumbai

Date : 26th April, 2019

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD
CIN: U65990WB2009PTC139801

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakhs)

	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	(168.07)	13.79
	Adjustments for:		
	Depreciation and Amortisation Expense	1.89	3.35
	Interest Income	(104.82)	(99.99)
	Interest on income tax refund	(0.38)	-
	Operating Profit before Working Capital Changes	**(271.38)**	**(82.85)**
	Increase/(Decrease) in Trade Payables, other liabilities and provisions	7.74	(4.36)
	Decrease/(Increase) in trade receivables, loans, advances and other assets	57.40	(52.75)
	Cash generated from/(used in) Operating activities	**(206.24)**	**(139.96)**
	Direct Taxes paid (Net of refunds)	(2.76)	(2.24)
	Net Cash flow from/(used in) Operating Activities	**(209.00)**	**(142.20)**
B.	**Cash Flow from Investing Activities**		
	Payments for Fixed Assets (including Intangible Assets)	(0.43)	-
	Inter Corporate Deposits given (net)	(140.00)	2.00
	Interest received	104.72	99.75
	Net Cash flow from/(used in) Investing activities	**(35.71)**	**101.75**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issuance of share capital (net of share issue expenses)	250.00	-
	Net Cash Flow from/(used in) Financing Activities	**250.00**	-
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	5.29	(40.45)
	Opening Cash and Cash Equivalents	3.94	44.39
	Closing Cash and Cash Equivalents	**9.23**	**3.94**

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow ".

2) Components of Cash and Cash Equivalents:

	Particulars	As at March 31, 2019	As at March 31, 2018
	Cash on hand	-	0.01
	In Current Account	9.23	3.93
		9.23	3.94

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

On behalf of the Board of Directors

Sd/-
Aditya Singhi
Partner
Membership No. 305161
Place: Kolkata

Sd/-
Directors
Din No.
Place: Mumbai

Sd/-
Directors
Din No.
Place: Mumbai

Sd/-
Manisha Tewary
CFO
Place: Kolkata

Sd/-
Jaideep Bhattacharya
CEO
Place: Mumbai

Date : 26th April, 2019

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD
CIN: U65990WB2009PTC139801

Statement of Changes in Equity as on March 31, 2019

A. Equity Share Capital

(Rs. in Lakhs)

Particulars	As at April 1, 2017	Issue/ (reduction) during the year 2017-18	As at March 31, 2018	Issue/ (reduction) during the year 2018-19	As at March 31, 2019
Equity Share Capital	1,600.00	-	1,600	250.00	1,850.00

B. Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus		Total
	Other Comprehensive Income	Retained Earnings	
Balance as at April 01, 2017	-	**(504.32)**	**(504.32)**
Profit for the year ended March 31, 2018	0.04	11.15	11.19
Balance as at March 31, 2018	**0.04**	**(493.17)**	**(493.13)**
Profit for the year ended March 31, 2019	3.24	(168.07)	(164.83)
Balance as at March 31, 2019	**3.28**	**(661.24)**	**(657.96)**

Retained Earnings:

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

The Accompanying Notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

For and on behalf of the Board of Directors

Sd/-
Aditya Singhi
Partner
Membership No. 305161
Place: Kolkata

Sd/-
Directors
Din No
Place: Mumbai

Sd/-
Directors
Din No
Place: Mumbai

Sd/-
Manisha Tewary
CFO
Place: Kolkata

Sd/-
Jaideep Bhattacharya
CEO
Place: Mumbai

Date : 26th April, 2019

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Mutual Fund Asset Management Private Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

Srei Infrastructure Finance Limited (SIFL), the Holding Company, had sought approval from Securities and Exchange Board of India (SEBI) for commencement of mutual fund business in India under the SEBI (Mutual Funds) Regulations, 1996. Srei Mutual Fund Asset Management Private Limited was incorporated as wholly owned subsidiary of SIFL on 27th November 2009.The company has received the approval from SEBI to act as Asset Management Company of Srei Mutual Fund (IDF) on 15th November 2012.

In connection with SIFL's application for full-fledged Mutual Fund license, SEBI has conducted inspection. Since then SEBI has not raised any further query, hence the management of the Company expect that the license to be issued by SEBI in due course.

(B) Recent Pronouncement

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - "Leases". Ind AS 116 will supersede the current guidance on lease agreements including Ind AS 17 "Leases" and the related interpretations

Application of above standards is not expected to have any significant impact on the Company's Financial Statements.

(C) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 22.

(D) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.16- Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Income from asset management services is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.4. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.5. Foreign Currency Transactions

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

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:

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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:
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. Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in other comprehensive income

1.6. Borrowing Cost
Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.7. Employee Benefits

Defined Contribution Plans
Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:
Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.8. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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

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

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.

Estimated useful life of the assets determined is as under:

- Plant and machinery- 15 years
- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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

Leasehold assets including improvements are amortised over the period of the lease. Freehold Land is not depreciated.

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

1.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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

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

1.10. Impairment of Assets
Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.11. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in

Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss

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

1.12. Taxes on Income

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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.13. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.14. Provisions

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.15. Operating Segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Composite Insurance Broking Services.

1.16. Use of Estimates and Judgements
The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. Refer Note 2.5 to the financial statements.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Useful lives of property, plant and equipment and intangible assets:
As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets the end of each reporting period.

ii) **Fair value measurements and valuation processes:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.17. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.18. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD
Notes to the financial statement for the year ended March 31, 2019

2 Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Gross block				Depreciation/amortisation/ impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Office Equipment	0.29	-	-	0.29	0.12	0.12	-	0.24	0.05
Computer	-	0.43	-	0.43	-	0.12		0.12	0.31
Total Tangible assets	**0.29**	**0.43**	-	**0.72**	**0.12**	**0.24**	-	**0.36**	**0.36**

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Office Equipment	0.29	-	-	0.29	-	0.12	-	0.12	0.17
Computer hardware	-	-		-	-	-	-	-	-
Total Tangible assets	**0.29**	-	-	**0.29**	-	**0.12**	-	**0.12**	**0.17**

3 Intangible Assets

(Rs. in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Computer software	5.26	-	-	5.26	3.22	1.65	-	4.87	0.39
Total Intangible assets	**5.26**	-	-	**5.26**	**3.22**	**1.65**	-	**4.87**	**0.39**

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Computer software	5.26	-	-	5.26	-	3.22	-	3.22	2.04
Total Intangible assets	**5.26**	-	-	**5.26**	-	**3.22**	-	**3.22**	**2.04**

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

4 Other Non Current Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & Tax Deducted At Source	10.18	7.69	5.45
Less: Provision for taxation	(2.64)	(3.29)	(0.65)
Total	**7.54**	**4.40**	**4.80**

5 **Trade Receivables:**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured, considered good	-	59.00	-
Less: Allowance for bad and doubtful debts	-	-	-
	-	59.00	-
Total	**-**	**59.00**	**-**

6 **Cash and Cash Equivalents:**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	-	0.01	0.02
Balances with Banks - In Current Account	9.23	3.93	44.37
Total	**9.23**	**3.94**	**44.39**

7 **Loans**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Unsecured considered good unless otherwise stated)			
Inter corporate deposits given to Holding Company (at amortised cost)	1,198.00	1,058.00	1,060.00
Total	**1,198.00**	**1,058.00**	**1,060.00**

8 **Other Financial Assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on Inter Corporate Deposits	0.90	0.80	0.56
Total	**0.90**	**0.80**	**0.56**

9 **Other Current Assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance to Vendors	1.10	-	3.05
Balances with Statutory Authorities	2.36	0.16	5.30
Prepaid Expenses	0.30	2.00	0.06
Total	**3.76**	**2.16**	**8.41**

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

10 **Equity Share Capital**

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	Rs. in Lakh	Number	Rs. in Lakh	Number	Rs. in Lakh
Authorised Share Capital						
Equity Shares of Rs. 10/- each	20,000,000	2,000.00	20,000,000	2,000.00	20,000,000	2,000.00
Preference Shares of Rs. 10/- each	45,000,000	4,500.00	45,000,000	4,500.00	45,000,000	4,500.00
Issued, Subscribed and Paid up						
Equity Shares of Rs 10/- each fully paid	16,000,000	1,850.00	16,000,000	1,600.00	16,000,000	1,600.00
		1,850.00		**1,600.00**		**1,600.00**

10.1 The reconciliation of the number of shares outstanding at the beginning and at the end of year has been shown in the table below:

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Shares	(Rs. in Lakhs)	Shares	(Rs. in Lakhs)	Shares	(Rs. in Lakhs)
Shares outstanding at the beginning of year	16,000,000	1,600.00	16,000,000	1,600.00	16,000,000	1,600.00
Shares issued during the year	2,500,000	250.00	-	-	-	-
Shares outstanding at the end of year	18,500,000	1,850.00	16,000,000	1,600.00	16,000,000	1,600.00

Terms and rights attached to equity shares:
The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. 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 in proportion to the number of equity shares held by the shareholders.

10.2 **Details of shares held by each shareholder holding more than 5%**

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Shares	% holding	Shares	% holding	Shares	% holding
Fully paid equity shares						
Srei Infrastructure Finance Limited *	18,500,000	100.00	16,000,000	100.00	16,000,000	100.00

* Includes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

10.3 **Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates**

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Shares	(Rs. in Lakhs)	Shares	(Rs. in Lakhs)	Shares	(Rs. in Lakhs)
Srei Infrastructure Finance Limited	18,500,000	1,850.00	16,000,000	1,600.00	16,000,000	1,600.00

10.4 The Company during the preceding 5 years:
- i Has not alloted shares pursuant to contracts without payment received in cash.
- ii Has not issued shares by the way of bonus shares.
- iii Has not bought back any shares.

11 **Other Equity**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Retained Earnings			
Balance as per last accounts	(493.17)	(504.32)	(504.32)
Net Profit/(Loss) for the Year	(168.07)	11.15	-
Closing Balance (a)	(661.24)	(493.17)	(504.32)
b)Other comprehensive income			
Balance as per last accounts	0.04	-	-
Add: Other comprehensive Income for the year	3.24	0.04	-
Closing Balance (b)	3.28	0.04	-
Total (a+b)	(657.96)	(493.13)	(504.32)

12 Provisions

(A) Non-Current (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Employee Benefits			
Gratuity	4.94	7.53	7.05
Provision for Compensated absence	5.71	5.41	5.96
Total	**10.65**	**12.94**	**13.01**

(B) Current (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Employee Benefits			
Gratuity	0.03	0.09	0.07
Provision for Compensated absence	0.59	1.19	1.47
Total	**0.62**	**1.28**	**1.54**

13 Trade Payables

(A) Due to Micro and Small Enterprises (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

(B) Due to Others (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables - other than Acceptances	1.67	1.07	1.14
Total	**1.67**	**1.07**	**1.14**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management

14 Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liability for expenses	1.27	0.21	0.91
Salaries and other payroll dues	7.39	5.92	8.13
Total	**8.66**	**6.13**	**9.04**

15 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Liabilities	6.54	2.22	3.30
Total	**6.54**	**2.22**	**3.30**

16 Revenue From Operations

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Advisory Fees	-	50.00
Total	-	**50.00**

17 Other Income

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest on Inter Corporate Deposit with Holding Company	104.62	99.99
Interest on Fixed Deposits	0.20	-
Interest on Income Tax refund	0.38	-
Total	**105.20**	**99.99**

18 Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries & allowances	219.99	104.34
Contribution to Provident & Other funds	11.07	4.32
Staff welfare expenses	0.04	0.07
Total	**231.10**	**108.73**

19 Depreciation and Amortisation Expense

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation on Tangible Assets	0.24	0.12
Amortisation on Other Intangible Assets	1.65	3.22
Total	**1.89**	**3.34**

20 Other Expenses

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Legal & Professional Fees	3.94	8.18
Travelling and Conveyance	17.86	0.70
Rates & Taxes	3.88	2.59
Filing Fees	0.05	0.07
Communication Expenses	0.44	0.91
Membership & Subscription	4.16	4.02
Insurance	3.22	3.08
Payment to Auditors :		
-Fees for Statutory Audit	0.75	0.35
-Other Services (Certification etc.)	0.10	-
Director's Sitting Fees	6.20	4.05
Printing & Stationery	0.07	0.06
Miscellaneous Expenses	0.11	0.12
Total	**40.28**	**24.13**

21 Income Tax Expenses

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current tax	-	2.64
Total	**-**	**2.64**

The income tax expenses for the year can be reconciled to the accounting profits as follows:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit Before Tax	(168.07)	13.79
Applicable Tax Rate	25.75%	19.055%
Expected income tax expense at statutory income tax rate	-	2.64
Current tax provision	**-**	**2.64**

22 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

(ii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Reconciliation of Total Equity as previously reported under Previous GAAP to IND AS:

(Rs. in Lakhs)

Particulars	Note	As at March 31, 2018	As at April 1,2017
Total Equity as reported under previous GAAP		**1,106.87**	**1,095.68**
Adjustments:			
Impact of Ind AS		-	-
Total Equity as reported under Ind AS		**1,106.87**	**1,095.68**

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018.

(Rs. in Lakhs)

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		**11.19**
Adjustments:		
Re-measurment of defined benefit obligations	(a)	(0.04)
Profit / (Loss) After Tax as reported under Ind AS		**11.15**
Re-measurment of defined benefit obligations	(a)	0.04
Total Comprehensive Income as reported under Ind AS		**11.19**

Footnotes to the reconciliation of total equity as at April 1, 2017 and 31st March 2018 and Total Comprehensive Income for the year ended 31st March 2018.

(a) Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI.

23 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use to fund working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations and money raised through issue of equity share to the shareholders.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

24 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 1 to the financial statements.

24.1 Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in lakhs)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
i) Trade Receivables	-	-	59.00	59.00	-	-
ii) Cash and cash equivalents	9.23	9.23	3.94	3.94	44.39	44.39
iii) Loan	1,198.00	1,198.00	1,058.00	1,058.00	1,060.00	1,060.00
ii) Other financial assets	0.90	0.90	0.80	0.80	0.56	0.56
Total financial assets	1,208.13	1,208.13	1,121.74	1,121.74	1,104.95	1,104.95
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	1.67	1.67	1.07	1.07	1.14	1.14
ii) Other financial liabilities	8.66	8.66	6.13	6.13	9.04	9.04
Total financial liabilities	10.33	10.33	7.20	7.20	10.18	10.18

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.

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 include cash, cash equivalents, Loans, Trade and other receivables.

Trade and Other Payables
Trade payables that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments includes Trade & Other payables.

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

24.2 Financial risk management objectives

The Company's activities expose it to financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

a) Market risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk:

Interest rate risk
The Company is exposed to interest rate risk as the Company deploys surplus cash in interest earning assets.The Company manages the risk by investing funds in Inter Corporate Deposit, fixed deposits with banks earning fixed rate of interest. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows.

Interest Rate Exposure (Rs. in lakhs)

Particulars	31-03-2019	31-03-2018	01-04-2017
Financial Assets			
Inter corporate deposits given to Holding Company	1,198.00	1,058.00	1,060.00
Total	**1,198.00**	**1,058.00**	**1,060.00**

The Company is not exposed to interst risk in respect of ICD given since the ICD is for short term and carries fixed rate of return.

b) Liquidity risk
Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events. The objectives of the Company's liquidity risk management processes are to lessen the impact of liquidity risk by minimizing mismatch in timing of cash flow.

Revenue stream of the Company has not started yet as no mutual fund scheme is operational. However the company has adequate liquidity as its networth is primarily invested in interest earning short term ICD, which is repayable on demand. The table below provides details regarding financial assets and financial liabilities at the reporting date.

(Rs. in lakhs)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
i) Trade Receivables	-	-	59.00	59.00	-	-
ii) Cash and cash equivalents	9.23	9.23	3.94	3.94	44.39	44.39
iii) Loan	1,198.00	1,198.00	1,058.00	1,058.00	1,060.00	1,060.00
ii) Other financial assets	0.90	0.90	0.80	0.80	0.56	0.56
Total financial assets	**1,208.13**	**1,208.13**	**1,121.74**	**1,121.74**	**1,104.95**	**1,104.95**
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	1.67	1.67	1.07	1.07	1.14	1.14
ii) Other financial liabilities	8.66	8.66	6.13	6.13	9.04	9.04
Total financial liabilities	**10.33**	**10.33**	**7.20**	**7.20**	**10.18**	**10.18**

c) Credit risk
Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations.The Company manages the risk by investing funds in ICD with holding company and fixed deposits with scheduled banks earning fixed rate of interest.

25 Employee Benefits

The Company has recognised, in Statement of Profit and Loss for the year ended 31.03.2019 an amount of Rs.10.62 Lakhs (FY 2017-18: Rs.4.10 Lakhs) as expenses under defined contribution plans.

Defined benefit plans

The Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans.The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

All employees who have rendered service for specified period as per the Payment of Gratuity Act, 1972 are entitled for gratuity. The gratuity amount is determined based on the last drawn salary and period of service with the company.

The defined benefit obligations are unfunded and thus the disclosure requirements of plan assets have not been made.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined beneift obligation will tend to increase.

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase , discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31.03.2019

25.1 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs. In Lakhs)

Description	Gratuity			Leave		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
1. Change in the defined benefit obligation						
Present Value of Obligation at the Beginning of the Year	**7.62**	7.12	6.08	**6.05**	6.45	6.60
Current Service Cost	**0.01**	0.01	1.32	**1.02**	0.83	0.87
Interest Cost	**0.58**	0.51	0.47	**0.44**	0.30	0.40
Past Service Cost - Plan Amendments	-	0.02		-	-	-
Acquisitions Cost/credit	-	-	-	-	-	-
Actuarial (gain)/loss	**(3.24)**	(0.04)	(0.75)	**(1.93)**	2.92	1.65
Benefits paid	-	-		**(0.47)**	(4.45)	(3.07)
Present Value of Obligation at the end of the Year	**4.97**	**7.62**	**7.12**	**5.11**	**6.05**	**6.45**
2. Amount recognised in Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	-	-	-	-	-	-
Present Value of Obligation at the end of the Year	4.97	7.62	7.12	5.11	6.05	6.45
(Asset)/Liabilities as per the actuarial valuation	4.97	7.62	7.12	5.11	6.05	6.45
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	**4.97**	**7.62**	**7.12**	**5.11**	**6.05**	**6.45**
3. Expenses recognised in the statement of profit and loss consists of:	**Year ended 31.03.2019**	**Year ended 31.03.2018**		**Year ended 31.03.2019**	**Year ended 31.03.2018**	
Employee benefits expenses:						
Current Service cost	0.01	0.03		**1.02**	0.83	
Net Interest cost	0.58	0.51		**0.44**	0.30	
Immediate recognition of (gain)/losses				**(1.93)**	2.92	
Total [A]	**0.59**	**0.54**		**(0.47)**	4.05	
Other Comprehensive Income						
Actuarial (Gain) / Loss from experience adjustments	(3.29)	0.51		**(1.97)**	3.24	
Actuarial (Gain) / Loss from financial assumptions	0.05	(0.55)		**0.04**	(0.32)	
Immediate recognition of (gain)/losses	-	-		**1.93**	**(2.92)**	
Total [B]	**(3.24)**	**(0.04)**		-	-	
Expense recognised during the year [A+B]	**(2.65)**	**0.50**		**(0.47)**	**4.05**	

The expense for the Defined Benefits (referred to in para 18 above) are included in the line item under 'Contribution to Provident and other Funds'.

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED

Notes to the financial statement for the year ended March 31, 2019

25.2 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

Description	Gratuity % Invested			Leave % Invested		
7. Assumptions	31-3-2019	31-3-2018	01-04-17	31-3-2019	31-3-2018	01-04-17
Discount rate per annum	7.50%	7.60%	7.15%	7.50%	7.60%	7.15%
Salary escalation rate per annum	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Best Estimate of Employers' Expected Contributions for the next year	NA	NA	NA	NA	NA	NA
Method used	Projected Unit Credit Method			Projected Unit Credit Method		

25.3 The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons.

25.4 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

	Year ended 31.03.2019				Year ended 31.03.2018				Year ended 01.04.2017			
	Gratuity		Leave		Gratuity		Leave		Gratuity		Leave	
	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)
Discount Rate + 1%	(8.60)	**(0.43)**	(7.00)	(0.40)	(14.00)	(1.07)	(10.00)	(0.62)	(15.00)	(1.07)	(12.00)	(0.77)
Discount Rate - 1%	9.50	**0.49**	9.00	0.46	17.00	1.28	12.00	0.75	15.00	1.07	12.00	0.77
Salary Increase Rate + 1%	9.50	**0.47**	8.70	0.44	4.00	0.77	12.00	0.73	5.00	0.35	11.00	0.71
Salary Increase Rate - 1%	(8.50)	**(0.42)**	(7.80)	(0.40)	(4.00)	(0.27)	(10.00)	(0.63)	(5.00)	(0.35)	(12.00)	(0.77)

25.5 Maturity Analysis Of The Benefit Payments

	Year ended 31.03.2019		Year ended 31.03.2018		Year ended 01.04.2017	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
Year 1	**0.03**	**0.19**	0.10	1.09	0.07	1.42
Year 2	**0.07**	**0.18**	0.12	0.61	0.10	0.59
Year 3	**0.12**	**0.26**	0.17	0.35	0.12	0.34
Year 4	**0.18**	**0.28**	0.21	0.22	0.12	0.20
Year 5	**0.72**	**0.30**	0.26	0.14	0.14	0.13
Next 5 Years	**17.12**	**9.15**	3.90	0.45	1.58	0.41

25.5 Maturity Analysis Of The Benefit Payments

S.No	Particulars	Sick Leave Benefit (Unfunded)	
		As at 31 March, 2019	As at 31 March, 2018
	Assets/ Liabilities		
1	Projected Benefit Obligation	(1.19)	(0.54)
2	Fair Value of Plan Assets	-	-
3	Current Asset / (Liability)	(0.41)	(0.14)
4	Non Current Asset / (Liability)	(0.76)	(0.40)
	Actuarial Assumptions		
1	Discount Rate	7.50%	7.60%
2	Expected return on plan assets	NA	NA
3	Salary Escalation	10.00%	10.00%

26 Related Party Disclosures

a) Related Parties

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Holding Company**	
2	Srei Infrastructure Finance Limited (SIFL)	India
C	**Fellow Subsidiaries:**	India
3	Srei Capital Markets Limited	India
4	Srei Alternative Investment Managers Limited	India
5	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
6	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
7	Srei Mutual Fund Trust Private Limited	India
8	Srei Insurance Broking Private Limited	India
9	Controlla Electrotech Private Limited	India
10	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
11	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
12	Quippo Oil & Gas Infrastructure Limited	India
13	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited)	India
14	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
15	Srei Equipment Finance Limited	India
16	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
D	**Fellow Associates**	
17	Sahaj e-Village Limited	India
18	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
19	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
20	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
21	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
E	**Others**	
22	Srei Mutual Fund Trust	India
23	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
F	**Enterprise over which relative of Holding Company's KMP has significant influenc**	
24	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
25	Mr. Tapan Kumar Mukhopadhyay	Independent Director
26	Mr. Man Mohan Agrawal	Independent Director
27	Mr. Sanjeev Sancheti (upto 1st June, 2018)	Non Excecutive Director
28	Mr. Murli Manohar Khemka	Non Excecutive Director
29	Mr. P Krishnamurthy (upto 03.01.2018)	Independent Director
30	Mr. Rupesh Kumar Sardana (Ceased to be Co. Secretary w.e.f 1st October , 2017)	Company Secretary
31	Ms. Swati Singh (Company Secretary (between 10January 2018 to 31 August 2018)	Company Secretary
32	Mr. Krishna Chaitanya Kotih (upto 30th September, 2018)	Chief Executive Officer
33	Mr. Swapnil Walimbe (between 5 September 2018 to 11 January 2019)	Company Secretary
34	Ms. Manisha Tewary	Chief Financial Officer
35	Mr.Jaideep Bhattacharya (W.e.f. 23 April, 2018)	Chief Executive Officer
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
36	Mr. Hemant Kanoria	Chairman & Managing Director - Holding Company
37	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
38	Mr. Malay Mukherjee	Independent Director - Holding Company
39	Mr. S.Rajagopal	Independent Director - Holding Company
40	Mr. S.Chatterjee	Independent Director - Holding Company
41	Dr. Punita Kumar Sinha	Independent Director - Holding Company
42	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
43	Dr. Tamali Sengupta (From 01.04.2017 to 26.10.2017 again appointed on 04 02.2019 onwards)	Additional Director (Category - Independent) - Holding Company
44	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY - Non Executive Non Independent)- Holding Company
45	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
46	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
47	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
48	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
49	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
50	Mr. Sanjeev Sancheti	Chief Strategy Officer - Holding Company
51	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
52	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
53	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Chief Internal Auditor - Holding Company

26 Related Party Disclosures (Cont..)

b) Related Parties transaction

Transaction entered with related parties during the year ended March 31, 2019 and March 31, 2018 are as under:

(Rs. in Lakhs)

Name of related party	Nature of Transactions	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) Holding Company			
Srei Infrastructure Finance Limited	Transactions:		
	ICD Given during the year	1,314.00	1,085.00
	ICD Refund received during the year	1,174.00	1,087.00
	Interest Income on ICD	104.62	99.99
(C) Key Management Personnel (KMP)			
Mr. Tapan Kumar Mukhopadhyay	Director's Sitting Fee	3.50	1.45
Mr. Man Mohan Agrawal	Director's Sitting Fee	2.70	1.85
Mr. P Krishnamurthy	Director's Sitting Fee	-	0.75
Mr. Rupesh Kumar Sardana	Salary and Allowances	-	20.95
Ms. Swati Singh	Salary and Allowances	3.01	1.23
Mr. Krishna Chaitanya Kolih	Salary and Allowances	27.25	71.61
Mr. Swapnil Walimbe	Salary and Allowances	13.55	-
Ms. Manisha Tewary	Salary and Allowances	14.56	14.74
Mr. Jaideep Bhattacharya	Salary and Allowances	170.45	-

Balance due with related parties as on March 31, 2019 , March 31, 2018 and April 01, 2017 are as under:

(Rs. in Lakhs)

Name of related party	Outstanding balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A) Holding Company				
Srei Infrastructure Finance Limited	Balance Outstanding :			
	ICD Receivable	1,198.00	1,058.00	1,060.00
	Interest Receivable on ICD	0.90	0.80	0.56

c) Compensation to Key Managerial Personnel

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-term benefit	228.35	104.28
Other long-term employee benefit	0.47	4.45
Post-employment benefit	-	-
Director sitting fee	6.20	4.05

27 Deferred Tax Assets (net)

The Deferred Tax Asset arising out of timing difference is on account of the following:

(Rs. in Lakhs)

S.No	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	Components of Deferred Tax Asset/(Liability) :			
1	Carry forward losses	151.71	107.61	133.74
2	Unabsorbed Depreciation	3.83	3.58	4.19
3	Preliminary Expenses	-	-	0.44
4	Provision for Gratuity	1.29	1.96	2.20
5	Depreciation	0.70	0.51	(0.01)
	Deferred Tax Asset	**157.54**	**113.66**	**140.56**

Note: On the basis of prudence, deferred tax asset has not been recognised in the Books of Accounts.

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

28 **Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:**

S.No	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
1	Profit/ (Loss) after tax attributable to Equity Shareholders (Rs. In Lakhs)	(168.07)	11.15
2	Weighted average number of Equity Shares Basic (Nos.)	17,075,342	16,000,000
3	Weighted average number of Equity Shares Diluted (Nos.)	17,075,342	16,000,000
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	(0.98)	0.07
6	Diluted Earnings per share (Rs)	(0.98)	0.07

29 Contingent Liabilities & Capital Commitment as on March 31, 2019 – Nil (March 31, 2018 - Nil, April, 2017 - Nil).

30 Figures pretaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to

As per our report of even date annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

Sd/-
Aditya Singhi
Partner
Membership No. 305161
Place: Kolkata

On behalf of the Board of Directors

Sd/-
Directors
Din No
Place: Mumbai

Sd/-
Directors
Din No
Place: Mumbai

Sd/-
Manisha Tewary
CFO
Place: Kolkata

Sd/-
Jaideep Bhattacharya
CEO
Place: Mumbai

Date : 26th April, 2019

SREI

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 9th Annual Report on the business and operations of **Srei Mutual Fund Trust Private Limited** (the Company) together with the Audited Financial Statement for the financial year ended March 31, 2019.

1. FINANCIAL RESULTS AND OPERATIONS

(Amount in Lakhs)

Particulars	Year Ended	Year Ended
	31-Mar-19	31-Mar-18
Total Income	0.21	0.18
Total Expenditure	7.02	7.12
Profit/Loss Before Depreciation	(6.81)	(6.94)
Depreciation	-	-
Bad Debts / Provisions etc.	-	-
Profit/ (Loss) Before Tax	**(6.81)**	**(6.94)**
Current/Deferred Tax	-	-
Profit/ (Loss) After Tax	**(6.81)**	**(6.94)**
Balance brought forward from previous year	(29.96)	(23.02)
Balance carried to Balance Sheet	(36.77)	(29.96)
Paid-up equity share capital (Face Value `10/- each)	15.00	15.00
Amount transferred to Reserves	-	-

Your Company has made income of Rs. 0.21 Lakhs for the financial year ended March 31, 2019 as against the income of Rs.0.18 Lakhs for the previous financial year ended March 31, 2018. The Company's Loss stands at negative Rs. 6.81 Lakhs as compared to a loss of negative Rs.6.94 Lakhs incurred in the previous financial year ended March 31, 2018.

2. DIVIDEND

Your Directors do not recommend any dividend for the financial year 2018-19.

3. TRANSFER TO RESERVES

The Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2018-19.

4. REVIEW OF OPERATIONS & FUTURE PROSPECTS

Srei Mutual Fund had received Infrastructure Debt Fund (IDF) license from Securities and Exchange Board of India (SEBI).

During the year under review, Srei Infrastructure Finance Limited (the Sponsor) had submitted an application dated 6th February, 2019 with Securities & Exchange Board of India [SEBI] seeking approval for full-fledged mutual fund license.

During the year under review, Srei Mutual Fund Asset Management Private Limited [the AMC] had executed a Non-binding Term Sheet with Essel Finance Management LLP for acquisition of Essel Mutual Fund on the terms and conditions as may be mutually agreed upon by the Seller and the Purchaser, subject to receipt of approval from SEBI and other Regulatory Authority, if any.

In view of the proposed acquisition of Essel Mutual Fund, the application submitted by the Sponsor with SEBI has temporarily been put on hold.

During the year under review, Srei Mutual Fund had no Schemes in operation, therefore, your Company had not rendered the services of Trusteeship.Your Directors are hopeful that in the coming year/s, your Company would be able to commence the service of Trusteeship.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, no change took place in the nature of business of the Company.

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no significant and material orders has been passed by Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

8. SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Ventures and Associate Company. Hence, disclosure as required under the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5) (iv) of the Companies (Accounts) Rules, 2014 is not applicable to your Company.

9. PUBLIC DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from Public in terms of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

10. STATUTORY AUDITORS

On the recommendation of the Audit Committee and Board of Directors, the Members of the Company at their Annual General Meeting held on June 14, 2018, had ratified the re-appointed M/s Singhi & Co., Chartered Accountants, Kolkata, having Registration No. 302049E allotted by The Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company, to hold office till the conclusion of 9th Annual General Meeting, in accordance with Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013.

Your Company has received confirmation from the said Auditors that their re-appointment is within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013. The Board recommends to the Members the re-appointment of M/s Singhi & Co, Chartered Accountants, Kolkata, as the statutory Auditor of the Company to hold office from the conclusion of 9th Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company.

11. AUDTIORS' REPORT

There is no qualification, reservation or adverse remarks or disclaimer made by the Auditors their Report on accounts of the Company for the financial year ended on 31st March, 2019, hence no explanation from Board is required.

12. CHANGES IN SHARE CAPITAL

During the year under review, the issued and paid up share capital of your Company remain unchanged, therefore, your Company is not required to disclose the particulars with regard to issue of equity shares with differential rights, issue of sweat equity shares, issue of employees stock options, provision of money by company for purchase of its own shares by employees or by trustees for the benefits of employees, as required under the provisions of the Companies Act, 2013 read with relevant Rules framed thereunder.

During the year under review, your Company had issued 2,00,000 Share Warrants of Rs.10 each fully paid up amounting to Rs.20 lakhs to the Holding Company and 60,000 Share Warrants of Rs.10 each amounting to Rs.6 Lakhs were redeemed in the said period.

13. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9 is annexed hereto as **Annexure A** and forms an integral part of the Directors' Report.

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

The disclosure with regard to conservation of energy and technology absorption, as required under the provisions of the Companies Act, 2013, is not applicable to your Company.

Your Company has not utilized or earned any foreign exchange during the year under review (Previous Year - Nil).

15. DIRECTOR AND KEY MANAGERIAL PERSONNEL

DIRECTOR

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Shashi Bhushan Tiwari (DIN: 00190997), Director of your Company, is liable to retire at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr. Shashi Bhushan Tiwari has submitted Form DIR-8 with your Company, as required under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies

(Appointment and Qualification of Directors) Rules, 2014. The Board, therefore, recommends the re-appointment of Mr. Shashi Bhushan Tiwari as Director of your Company. No remuneration is paid to Mr. Shashi Bhushan Tiwari as Director of the Company.

KEY MANAGERIAL PERSONNEL

Your Company is not required to appoint whole-time Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

16. MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2018-19, six meetings of the Board of Directors of the Company were held, the particulars of which are as under:

Sl. No.	Date of Board Meeting	Directors Present
1	11th April, 2018	Mr. P.B Nimbalkar Mr. K. Sivaprakasam Mr. Arun L. Todarwal Mr. S.B. Tiwari
2	19th June, 2018	Mr. P.B Nimbalkar Mr. K. Sivaprakasam Mr. Arun L. Todarwal
3	17th July, 2018	Mr. P.B Nimbalkar Mr. K. Sivaprakasam Mr. Arun L. Todarwal Mr. S.B. Tiwari
4	12th October, 2018	Mr. K. Sivaprakasam Mr. Arun L. Todarwal Mr. S.B. Tiwari

5	17th December, 2018	Mr. P.B Nimbalkar Mr. K. Sivaprakasam Mr. Arun L. Todarwal Mr. S.B. Tiwari
6	14th January, 2018	Mr. P.B. Nimbalkar Mr. K. Sivaprakasam Mr. Arun L. Todarwal

17. MEETINGS OF AUDIT COMMITTEE

During the Financial Year 2018-19, four meetings of Audit Committee were held, the particulars of which are as under:

Sl. No.	Date of Audit Committee Meeting	Members Present
1	11th April, 2018	Mr. P.B Nimbalkar Mr. K. Sivaprakasam Mr. S.B. Tiwari
2	17th July, 2018	Mr. P.B Nimbalkar Mr. K. Sivaprakasam Mr. S.B. Tiwari
3	12th October, 2018	Mr. K. Sivaprakasam Mr. S.B. Tiwari
4	14th January, 2018	Mr. P.B. Nimbalkar Mr. K. Sivaprakasam

The Audit Committee of the Company comprised of (a) Mr. K. Sivaprakasam, Independent Director (b) Mr. P.B. Nimbalkar, Independent Director and (c) Mr. S.B. Tiwari, Director, as Members of the Committee.

18. NOMINATION AND REMUNERATION COMMITTEE

Your Company is not required to constitute Nomination and Remuneration Committee as per provisions of Section 178(1) of the Companies Act, 2013.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES

During the Financial Year 2018-19, your Company has not given any loan or guarantees or or made any investments, hence disclosure, as prescribed in Section 186 of the Companies Act, 2013 is not applicable.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, your Company has not entered into any contract / arrangements with its related parties as referred to in sub-section 1 of Section 188 of the Companies Act, 2013, therefore, no disclosure is required to be made in Form No. AOC-2.

21. PARTICULARS OF EMPLOYEES

Your Company do not have any employee during the financial year 201-19. Hence, the information required under the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company.

22. RISK MANAGEMENT POLICY

The Company has proper procedures in place for development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

23. INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System commensurate with the nature of its business and size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to policies and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

24. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act), your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates 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 and of the profit of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended March 31, 2019 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Further, your Directors confirm that your Company has adequate internal systems and controls in place to ensure compliance of laws applicable to your Company.

25. STATEMENT UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to your Company.

26. DISCLOSURE UNDER SECTION 148 (1) OF THE COMPANIES ACT, 2013

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not made and maintained.

SREI

27. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the sustained support and co-operation received from the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Bankers, Business Associates and Holding Company viz. Srei Infrastructure Finance Limited.

On behalf of the Board of Directors

For **Srei Mutual Fund Trust Private Limited**

Place:
Date:

sd/-	sd/-
Director	**Director**
DIN:	**DIN:**

Annexure-A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	U65990WB2009PTC139790
ii)	Registration Date	27-11-2009
iii)	Name of the Company	Srei Mutual Fund Trust Private Limited
iv)	Category / Sub-Category of the Company	Trustee of a Mutual Fund
v)	Address of the Registered office and contact details	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046
vi)	Whether listed company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. Principal business activities of the company

Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	N.A.	N.A.	N.A.

III. Particulars of holding, subsidiary and associate companies

S. N0	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Srei Infrastructure Finance Limited, Vishwakarma' 86C, Topsia Road (S) Kolkata – 700 046	L29219WB1985PLC055352	Holding	100	2(46) of Companies Act, 2013

SREI

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) **Indian**									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1,50,000	1,50,000	100	-	1,50,000	1,50,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	**1,50,000**	**1,50,000**	**100**	-	**1,50,000**	**1,50,000**	**100**	-
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	**1,50,000**	**1,50,000**	**100**	-	**1,50,000**	**1,50,000**	**100**	-
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-**Institutions**	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**1,50,000**	**1,50,000**	**100**	-	**1,50,000**	**1,50,000**	**100**	-

Srei Mutual Fund Trust Private Limited
CIN: U65990WB2009PTC139790
Corporate Office: Ground Floor, Executive Block, Paradise, 51K/51L, Bhulabhai Desai Road, Breach Candy, Mumbai – 400026
Regd. Office: 'Vishwakarma' 86-C Topsia Road (South), Kolkata-700 046
Tel: +91 22 66284201, Fax No. 91 22 66284208,

SREI

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Srei Infrastructure Finance Limited	1,49,400	99.60	-	1,49,400	99.60	-	-
2	Mr. Mr. Kamal Kishore Sharma (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.06	-	100	0.06	-	-
3	Mr. Sandeep Lakhotia (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.06	-	100	0.06	-	-
4	Mr. Sanjeev Sancheti (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.06	-	100	0.06	-	-
5	Mr. Shashi Bhushan Tiwari (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.06	-	100	0.06	-	-
6	Mr. Sanjay Kr. Chaurasia (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.10	-	100	0.10	-	-
7	Mr. Vishnu Gopal Agarwal (Beneficial Owner being Srei Infrastructure Finance Limited)	100	0.06	-	100	0.06	-	-
	Total	**1,50,000**	**100**	**-**	**1,50,000**	**100**	**-**	**-**

SREI

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,50,000	100	1,50,000	100
	Increase in promoters holding on account of allotment of equity shares during the year	-	-	-	-
	At the end of the year	1,50,000	100	1,50,000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

v) **Shareholding of Directors and Key Managerial Personnel (KMP):**

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments

	Secured Loans Excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due (Net of TDS)	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	- -	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year (31.03.2019)	-	-	-	-
i) Principal Amount	-	-	-	-

ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager				Total amount (Rs.)
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)		-	-	-	-
	Ceiling as per the Act	N.A.				

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount (Rs in Lakhs.)
		Mr. P. B. Nimbalkar	Mr. Arun L. Todarwal	Mr. K. Sivaprakasam	
	Independent Directors • Fee for attending board / committee meetings	Rs 1.85 Lakhs	Rs 1.65 Lakhs	Rs 2.25 Lakhs	Rs 5.75 Lakhs

	• Commission • Others, please specify				
	Total (1)	Rs 1.85 Lakhs	Rs 1.65 Lakhs	Rs 2.25 Lakhs	Rs 5.75 Lakhs
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- -	- -	- - -	- - -
	Total (2)	-	-	-	-
	Total (B)=(1+2)	Rs 1.85 Lakhs	Rs 1.65 Lakhs	Rs 2.25 Lakhs	Rs 5.75 Lakhs
	Total Managerial Remuneration	**Rs 1.85 Lakhs**	**Rs 1.65 Lakhs**	**Rs 2.25 Lakhs**	**Rs 5.75 Lakhs**
	Overall Ceiling as per the Act	One Lakh Rupees per meeting of the Board or Committee thereof			

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. no.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		CEO	Company Secretary	CFO	Total (Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	- -	- -	- -	- -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

Srei Mutual Fund Trust Private Limited
CIN: U65990WB2009PTC139790
Corporate Office: Ground Floor, Executive Block, Paradise, 51K/51L, Bhulabhai Desai Road, Breach Candy, Mumbai – 400026
Regd. Office: 'Vishwakarma' 86-C Topsia Road (South), Kolkata-700 046
Tel: +91 22 66284201, Fax No. 91 22 66284208,

SREI

VII. Penalties / punishment/ compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the Board of Directors

For Srei Mutual Fund Trust Private Limited

Place:
Date:

sd/-
Director
DIN: ______

sd/-
Director
DIN: ______

Srei Mutual Fund Trust Private Limited
CIN: U65990WB2009PTC139790
Corporate Office: Ground Floor, Executive Block, Paradise, 51K/51L, Bhulabhai Desai Road, Breach Candy, Mumbai – 400026
Regd. Office: 'Vishwakarma' 86-C Topsia Road (South), Kolkata-700 046
Tel: +91 22 66284201, Fax No. 91 22 66284208,

INDEPENDENT AUDITOR'S REPORT

To the Members of SREI Mutual Fund Trust Private Limited

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **SREI Mutual Fund Trust Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs),as 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 standalone 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 together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the standalone Ind AS financial statements.

Other Information

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

Our opinion on the standalone 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibility of Management for the standalone Ind AS Financial Statements

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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 control 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 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these standalone Ind AS financial statements, have been audited by us, and we expressed an unmodified opinion on those statements on March 31, 2018.

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, report for the year ended March 31, 2018 and March 31, 2017 dated April 11, 2018 and April 17, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

(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, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position in its standalone 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sd/-

Aditya Singhi
Partner
Membership No. 305161

Place: Kolkata
Date: 26th April, 2019

ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. Matters specified in clauses (i), (ii), (iii), (v), (vi), (viii), (ix), (xi), (xii),(xv) and (xvi) of paragraph 3 of the CARO 2016 do not apply to the company.

ii. Clause (iv) of Paragraph 3 of the Order

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

iii. Clause (vii) of Paragraph 3 of the Order

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, Goods and Service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities and there are no undisputed dues which is outstanding for more than six months from the balance sheet date.

(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, Goods & Service tax, duty of customs, duty of excise, and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

iv. Clause (x) of Paragraph 3 of the Order

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

v. Clause (xiii) of Paragraph 3 of the Order

According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable accounting standards.

vi. Clause (xiv) of Paragraph 3 of the Order
According to the information and explanations give to us and based on our examination of the records of the Company, the Company has issued share warrants during the year to its holding company in compliance with the provisions of Section 42 of the Act.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

sd/-

(Aditya Singhi)
Partner
Membership No. 305161

Place: Kolkata
Date: 26th April, 2019

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ` ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financialcontrols based on the internal control over financial reporting criteriaestablished by the Company considering the essential components of internal control stated inthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operatingeffectively for ensuring the orderly and efficient conduct of its business, including adherence tocompany's policies, the safeguarding of its assets, the prevention and detection of frauds anderrors, the accuracy and completeness of the accounting records, and the timely preparation ofreliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls overfinancial reporting based on our audit. We conducted our audit in accordance withthe Guidance Note and the Standards on Auditing prescribedunder Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit ofinternal financial controls. 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 over financial reporting was 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to providea 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 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 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 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting 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.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

sd/-

Aditya Singhi
Partner
Membership No. 305161

Place: Kolkata
Date: 26th April, 2019

SREI MUTUAL FUND TRUST PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Non Current Assets				
(a) Other Non Current Assets	2	4.18	3.09	1.97
Current Assets				
(a) Financial Assets				
(i) Cash and Cash Equivalents	3	4.50	1.40	1.65
Total Assets		**8.68**	**4.49**	**3.62**
EQUITY AND LIABILITY				
EQUITY				
(a) Equity Share Capital	4	15.00	15.00	15.00
(b) Other Equity	5	(6.77)	(13.96)	(12.02)
LIABILITIES				
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payable	6			
-Due to Micro and Small Enterprises		-	-	
-Due to Others		0.45	0.41	0.47
(ii) Other Financial Liabilities	7	-	3.00	0.07
(b) Other Current Liabilities	8	-	0.04	0.10
TOTAL EQUITY AND LIABILITIES		**8.68**	**4.49**	**3.62**

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

sd/-

Aditya Singhi
Partner
Membership No. 305161
Place : Kolkata
Date: 26th April, 2019

For and on behalf of the Board of Directors

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

SREI MUTUAL FUND TRUST PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue From Operations		-	-
II.	Other Income	9	0.21	0.18
III.	**Total income (I+II)**		0.21	**0.18**
IV.	**Expenses:**			
	Other Expenses	10	7.02	7.12
	Total Expenses (IV)		7.02	**7.12**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		(6.81)	(6.94)
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		(6.81)	(6.94)
VIII.	**Tax Expense**			
	Current Tax		-	-
	Deferred Tax		-	-
IX.	**Profit For The Year (VII-VIII)**		(6.81)	(6.94)
X.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		-	-
XI.	**Total Comprehensive Income For The Year (IX + X)**		**(6.81)**	**(6.94)**
XII.	**Earnings Per Equity Share (of Rs. 10/- each)**	16		
	Basic (Rs.)		(4.54)	(4.63)
	Diluted (Rs.)		(4.54)	(4.63)

The Accompanying Notes are an Integral part of the Financial Statements.

As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

sd/-

Aditya Singhi
Partner
Membership No. 305161
Place : Kolkata
Date: 26th April, 2019

For and on behalf of the Board of Directors

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

SREI MUTUAL FUND TRUST PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2019

	Particulars	Year Ended March 31, 2019 (Rs. In Lakhs)	Year Ended March 31, 2018 (Rs. In Lakhs)
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	(6.81)	(6.94)
	Adjustments for:		
	Interest Income	(0.21)	(0.05)
	Liability no longer required written back	-	(0.13)
	Operating Profit before Working Capital Changes	**(7.02)**	**(7.12)**
	Increase/(Decrease) in Trade Payables, other liabilities and provisions	(3.00)	2.94
	Decrease/(Increase) in trade receivables, loans, advances and other assets	(1.09)	(1.12)
	Cash generated from/(used in) Operating activities	**(11.11)**	**(5.30)**
	Direct Taxes paid (Net of refunds)	-	-
	Net Cash flow from/(used in) Operating Activities	**(11.11)**	**(5.30)**
B.	**Cash Flow from Investing Activities**		
	Interest received	0.21	0.05
	Net Cash flow from/(used in) Investing activities	**0.21**	**0.05**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issuance of share warrants	20.00	10.00
	Repayment of Share Warrant	(6.00)	(5.00)
	Net Cash Flow from/(used in) Financing Activities	**14.00**	**5.00**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	3.10	(0.25)
	Opening Cash and Cash Equivalents	1.40	1.65
	Closing Cash and Cash Equivalents	**4.50**	**1.40**

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow ".

2) Components of Cash and Cash Equivalents: **(Rs. In Lakhs)**

	Particulars	As at March 31, 2019	As at March 31, 2018
	Cash on hand	0.02	0.03
	In Current Account	0.48	1.37
	Fixed Deposits with original maturity period less than three months	4.00	-
		4.50	**1.40**

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

sd/-

Aditya Singhi
Partner
Membership No. 305161
Place : Kolkata
Date: 26th April, 2019

On behalf of the Board of Directors

sd/-

Director
Din No. 00140403
Place : Mumbai
Date: 26th April, 2019

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

SREI MUTUAL FUND TRUST PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

(Rs. in Lakhs)

Particulars	As at April 1, 2017	Issue/ (reduction) during 2017-18	As at March 31, 2018	Issue/ (reduction) during 2018-19	As at March 31, 2019
Equity Share Capital	15.00	-	15.00	-	15.00

B. Other equity

(Rs. in Lakhs)

Particulars	Share Warrants	Reserves and Surplus		Total
		Other Comprehensive Income	Retained Earnings	
Balance as at April 01, 2017	**11.00**	-	**(23.02)**	**(12.02)**
Profit for the year ended March 31, 2018	-	-	(6.94)	(6.94)
Share warrants Issued (Net)	5.00		-	5.00
Balance as at March 31, 2018	**16.00**	-	**(29.96)**	**(13.96)**
Profit for the year ended March 31, 2019		-	(6.81)	(6.81)
Share warrants Issued (Net)	14.00	-	-	14.00
Balance as at March 31, 2019	**30.00**	-	**(36.77)**	**(6.77)**

Retained Earnings
It represents the cumulative losses of the Company.

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

sd/-

Aditya Singhi
Partner
Membership No. 305161
Place : Kolkata
Date: 26th April, 2019

For and on behalf of the Board of Directors

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

SREI MUTUAL FUND TRUST PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information
Srei Mutual Fund Trust Private Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

The Company was incorporated as wholly owned subsidiary of Srei Infrastructure Finance Limited (SIFL) on 27th November 2009. The Company has executed a Trust Deed with SIFL (Sponsor) to act as the Trustee of Srei Mutual Fund Trust, being established by the Sponsor. The final approval from SEBI for commencement of mutual fund (IDF) business was received vide registration no.MF/070/12/02 dated 15th November 2012.

(B) Recent Pronouncement
On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - "Leases". Ind AS 116 will supersede the current guidance on lease agreements including Ind AS 17 "Leases" and the related interpretations

Application of above standards is not expected to have any significant impact on the Company's Financial Statements.

(C) Statement of Compliance
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 11.

(D) First Time Policy Choices

i) De-recognition of financial assets and financial liabilities
The Company has applied the De-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2017 (the transition date).

ii) Impairment of financial assets
The Company has applied the impairment requirements of IndAS 109 retrospectively.

(E) Significant Accounting Policies

1.1. Basis of Preparation
The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosed amount of contingent liabilities.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Income from Trusteeship Service is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.4. Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.5. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.6. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss

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

1.7. Taxes on Income

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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.8. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.9. Provisions

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets

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

1.10. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Composite Insurance Broking Services.

1.11. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

1.12. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.13. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2 Other Non Current Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with Statutory Authorities	4.18	3.09	1.97
Total	**4.18**	**3.09**	**1.97**

3 Cash and cash equivalents:

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.02	0.03	0.03
Balances with Banks	0.48	1.37	1.62
In Fixed Deposit with Original Maturity Less than 3 months	4.00	-	-
Total	**4.50**	**1.40**	**1.65**

4 Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	Rs. in Lakh	Number	Rs. in Lakh	Number	Rs. in Lakh
Authorised Share Capital						
Equity Shares of Rs. 10/- each	250,000	25.00	250,000	25.00	250,000	25.00
Issued, Subscribed and Paid up Capital						
Equity Shares of Rs 10/- each fully paid up	150,000	15.00	150,000	15.00	150,000	15.00
	150,000	**15.00**	**150,000**	**15.00**	**150,000**	**15.00**

4.1 The reconciliation of the number of shares outstanding at the beginning and at the end of year has been shown in the table below:

	FY 2018-19		FY 2017-18	
	Shares	(Rs. in Lakhs)	Shares	(Rs. in Lakhs)
Shares outstanding at the beginning of the year	150,000	15.00	150,000	15.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	150,000	15.00	150,000	15.00

Terms and rights attached to equity shares:
The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. 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 in proportion to the number of equity shares held by the shareholders.

4.2 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Shares	% holding	Shares	% holding	Shares	% holding
Fully paid equity shares						
Srei Infrastructure Finance Limited 1	150,000	100.00	150,000	100.00	150,000	100.00

1 Incudes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited.

4.3 Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Shares	(Rs. in Lakhs)	Shares	(Rs. in Lakhs)	Shares	(Rs. in Lakhs)
Srei Infrastructure Finance Limited	150,000	15.00	150,000	15.00	150,000	15.00

4.4 The Company during the preceding 5 years:
- i Has not alloted shares pursuant to contracts without payment received in cash.
- ii Has not issued shares by the way of bonus shares.
- iii Has not bought back any shares.

5 Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Retained Earnings			
Balance as per last accounts	(29.96)	(23.02)	(23.02)
Net Profit/(Loss) for the Year	(6.81)	(6.94)	-
Closing Balance (a)	**(36.77)**	**(29.96)**	**(23.02)**
b) Share Warrants, fully paid			
Share Warrants 50,000 of Rs 10 each (Maturity date:03-06-2017) refer note 5.1	-	-	5.00
Share Warrants 60,000 of Rs 10 each (Maturity date: 26-06-2018) refer note 5.2	-	6.00	6.00
Share Warrants 100,000 of Rs 10 each (Maturity date:02-06-2020) refer note 5.3	10.00	10.00	-
Share Warrants 200,000 of Rs 10 each (Maturity date:20-06-2021) refer note 5.4	20.00	-	
Closing Balance (b)	**30.00**	**16.00**	**11.00**
Total (a+b)	**(6.77)**	**(13.96)**	**(12.02)**

SREI MUTUAL FUND TRUST PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

Terms of Share Warrants issued:

5.1 The Warrant holder may exercise the warrants any time on or before 18 months from the date of issue of warrants into equity shares of the company carrying differential voting rights.

Share Warrants which when excercised are entitled for 50,000 (Fifty Thousand only) equity shares in the Capital of the Company of Rs. 10 (Ten only). The share warrants after the specified term shall be converted into Equity Shares of the Company carrying differential voting rights to the shareholders.

Upon conversion, the non -voting equity shares are entitled to dividend at an additional rate of 5% above the dividend rate for voting shares, subject to a minimum dividend of 5% and subject to adequate profits.

The issuer at its sole discretion has right to call share warrants and redeem the money thereof at any time before the conversion into any class of equity shares.

5.2 The Warrant holder may exercise the warrants any time on or before 18 months from the date of issue of warrants into equity shares of the company carrying differential voting rights.

Share Warrants which when excercised are entitled for 60,000 (Fifty Thousand only) equity shares in the Capital of the Company of Rs. 10 (Ten only). The share warrants after the specified term shall be converted into Equity Shares of the Company carrying differential voting rights to the shareholders.

Upon conversion, the non-voting equity shares are entitled to dividend at an additional rate of 5% above the dividend rate for voting shares, subject to a minimum dividend of 5% and subject to adequate profits.

The issuer at its sole discretion has right to call share warrants and redeem the money thereof at any time before the conversion into any class of equity shares.

5.3 The Warrant holder may exercise the warrants any time on or before 36 months from the date of issue of warrants into equity shares of the company carrying differential voting rights.

Share Warrants which when excercised are entitled for 100,000 (One Lakh only) equity shares in the Capital of the Company of Rs. 10 (Ten only). The share warrants after the specified term shall be converted into Equity Shares of the Company carrying differential voting rights to the shareholders.

Upon conversion, the non-voting equity shares are entitled to dividend at an additional rate of 5% above the dividend rate for voting shares, subject to a minimum dividend of 5% and subject to adequate profits.

The issuer at its sole discretion has right to call share warrants and redeem the money thereof at any time before the conversion into any class of equity shares.

5.4 The Warrant holder may exercise the warrants any time on or before 36 months from the date of issue of warrants into equity shares of the company carrying differential voting rights.

Share Warrants which when excercised are entitled for 200,000 (Two Lakh only) equity shares in the Capital of the Company of Rs. 10 (Ten only). The share warrants after the specified term shall be converted into Equity Shares of the Company carrying differential voting rights to the shareholders.

Upon conversion, the non -voting equity shares are entitled to dividend at an additional rate of 5% above the dividend rate for voting shares, subject to a minimum dividend of 5% and subject to adequate profits.

The issuer at its sole discretion has right to call share warrants and redeem the money thereof at any time before the conversion into any class of equity shares.

6 Trade Payables

A) Due to Micro and Small Enterprises

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

B) Due to Others

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables	0.45	0.41	0.47
Total	0.45	0.41	0.47

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2019 as micro, small or medium enterprises. Consequently the amount paid / payable to these parties during the period is Rs. Nil.

7 **Other Financial Liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance from Holding Company	-	3.00	
Liability for expenses	-		0.07
Total	-	3.00	0.07

8 **Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Liabilities	-	0.04	0.10
Total	-	0.04	0.10

9 Other Income

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest on Fixed Deposits	0.21	0.05
Liability no longer required written back	-	0.13
Total	0.21	0.18

10 Other Expenses

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Legal & Professional Fees	0.38	0.25
Travelling and Conveyance	0.35	0.34
Rates & Taxes	0.11	0.06
Filing Fees	0.02	0.05
Payment to Auditors :		
-Fees for Statutory Audit	0.35	0.35
Director's Sitting Fees	5.75	6.00
Miscellaneous Expenses	0.06	0.07
Total	7.02	7.12

11 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

Reconciliation of Equity as previously reported under Previous GAAP to IND AS:

(Rs. in Lakhs)

Particulars	Note	As at March 31, 2018	As at April 1,2017
Equity as reported under previous GAAP		**(14.96)**	**(8.02)**
Share Warrants reclassified as equity instrument	(a)	16.00	11.00
Equity as reported under Ind AS		**1.04**	**2.98**

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018.

(Rs. in Lakhs)

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		**(6.94)**
Adjustments:		
Ind As Adjustment		-
Total Comprehensive Income as reported under Ind AS		**(6.94)**

Footnotes to the reconciliation of equity as at April 1, 2017 and 31st March 2018 and Total Comprehensive Income for the year ended 31st March 2018.

(a) Under previous GAAP, Share Warrant issued by the Company to its shareholders was accounted as part of shareholders' fund (refer note 5 for terms of the Share Warrants) Under Ind AS, the same has been reclassified as equity instrument forming part of Other Equity in line with requirement of Ind-AS 32, Financial Instruments:Presentation.

12 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains adequate capital base to safeguard business continuity and a judicious use of share warrant money to fund working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through interest generated on surplus fund deloyed in interest earning assets and money raised through issue of share warrants to the shareholders.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

13 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 1 to the financial statements.

13.1 Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in lakhs)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
i) Cash and cash equivalents	**4.50**	4.50	1.40	1.40	1.65	1.65
Total financial assets	**4.50**	**4.50**	1.40	1.40	1.65	1.65
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	**0.45**	**0.45**	0.41	0.41	0.47	0.47
ii) Other financial liabilities	-	-	3.00	3.00	0.07	0.07
Total financial liabilities	**0.45**	**0.45**	3.41	3.41	0.54	0.54

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.

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 include cash, cash equivalents and interest accrued thereon.

Trade Payables
Trade payables that have a short term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.

Other financial liabilities measured at amortised cost
For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include Trade & Other payables.

13.2 Financial risk management objectives

The Company's activities expose it to financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

a) Market risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk:

Interest rate risk
The Company is exposed to interest rate risk as the Company deploys surplus cash in interest earning assets.The Company manages the risk by investing funds in short term fixed deposits with banks earning fixed rate of interest. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows.

b) Liquidity risk
Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

Revenue stream of the Company has not started yet as no mutual fund scheme is operational. The Company mitigates its liquidity risks by raising necessary funds from the holding company. The table below provides details regarding financial liabilities at the reporting date.

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
A: Financial assets						
i) Cash and cash equivalents	4.50	-	1.40	-	1.65	-
Total	**4.50**	**-**	**1.40**	**-**	**1.65**	**-**
B: Financial liabilities						
i) Trade payables	0.45	-	0.41	-	0.47	-
ii) Other financial liabilities	-	-	3.00	-	0.07	-
Total	**0.45**	**-**	**3.41**	**-**	**0.54**	**-**

c) Credit risk
Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations.The Company manages the risk by investing funds in fixed deposits with scheduled banks earning fixed rate of interest.

14 Related Party Disclosures

a) Related Parties

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Holding Company**	
2	Srei Infrastructure Finance Limited (SIFL)	India
C	**Fellow Subsidiaries:**	India
3	Srei Capital Markets Limited	India
4	Srei Alternative Investment Managers Limited	India
5	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
6	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
7	Srei Mutual Fund Asset Management Private Limited	India
8	Srei Insurance Broking Private Limited	India
9	Controlla Electrotech Private Limited	India
10	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
11	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
12	Quippo Oil & Gas Infrastructure Limited	India
13	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited)	India
14	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
15	Srei Equipment Finance Limited	India
16	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
D	**Fellow Associates**	
17	Sahaj e-Village Limited	India
18	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
19	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
20	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
21	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
E	**Others**	
22	Srei Mutual Fund Trust	India
23	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
F	**Enterprise over which relative of Holding Company's KMP has significant influe**	
24	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
25	Mr. P. B. Nimbalkar	Independent Director
26	Mr. K. Sivaprakasam	Independent Director
27	Mr. Arun L. Todarwal	Independent Director
28	Mr. S.B. Tiwari	Non Executive Director
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
29	Mr. Hemant Kanoria	Chairman & Managing Director - Holding Company
30	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
31	Mr. Malay Mukherjee	Independent Director - Holding Company
32	Mr. S.Rajagopal	Independent Director - Holding Company
33	Mr. S.Chatterjee	Independent Director - Holding Company
34	Dr. Punita Kumar Sinha	Independent Director - Holding Company
35	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
36	Dr. Tamali Sengupta (From 01.04.2017 to 26.10.2017 again appointed on 04.07.2019 onwards)	Additional Director (Category - Independent) - Holding Company
37	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY - Non Executive Non Independent)- Holding Company
38	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
39	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
40	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
41	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
42	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
43	Mr. Sanjeev Sancheti	Chief Strategy Officer - Holding Company
44	Mr. Chandrasekhar Mukherjee (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
45	Mr. Samir Kumar Kejriwal (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
46	Mr. Debashis Ghosh (between 28.04.2018 to 04.02.2019)	Chief Internal Auditor - Holding Company

14 Related Party Disclosures (Cont..)

b) Related Parties transaction

Transactions entered with related parties during the year ended March 31, 2019 and March 31, 2018 are as under:

(Rs. in Lakhs)

Name of related party	Nature of Transactions	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) Holding Company			
Srei Infrastructure Finance Limited	**Transactions:**		
	Share Warrant Redeemed	6.00	5.00
	Share Warrant subscribed	20.00	10.00
	Short Term Advance Received/(Repaid)	(3.00)	3.00
(B) Key Management Personnel (KMP)/Directors:			
	Transactions:		
Mr. P. B. Nimbalkar	Director sitting fee	1.85	1.85
Mr. K. Sivaprakasam	Director sitting fee	2.25	2.25
Mr. Arun L. Todarwal	Director sitting fee	1.65	1.90

Balance due with related parties as on March 31, 2019 , March 31, 2018 and April 01, 2017 are as under:

(Rs. in Lakhs)

Name of related party	Outstanding balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A) Holding Company				
Srei Infrastructure Finance Limited	**Balance Outstanding :**			
	Short Term Advance Received	-	3.00	-

c) Compensation to Key Managerial Personnel / Directors:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Director sitting fee	5.75	6.00

15 Deferred Tax Assets

The Deferred Tax Asset arising out of timing difference is on account of the following:

(Rs. in Lakhs)

S.No	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	Components of Deferred Tax Asset/(Liability) :			
1	Preliminary Expenses	0.09	0.09	0.11
2	Carryforward losses	9.15	7.47	6.86
	Deferred Tax Asset	**9.24**	**7.56**	**6.97**

Note: On the basis of prudence, deferred tax asset has not been recognised in the Books of Accounts.

SREI MUTUAL FUND TRUST PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

16 Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:

S.No	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
1	Profit/ (Loss) after tax attributable to Equity Shareholders (in Rs.)	(6.81)	(6.94)
2	Weighted average number of Equity Shares Basic (Nos.)	150,000	150,000
3	Weighted average number of Equity Shares Diluted (Nos.)	150,000	150,000
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	(4.54)	(4.63)
6	Diluted Earnings per share (Rs)	(4.54)	(4.63)

17 Contingent Liabilities & Capital Commitment as on March 31, 2019 – Nil (March 31, 2018 - Nil, April, 2017 - Nil).

18 Figures pretaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current reporting year.

As per our report of even date annexed.

For **Singhi & Co.**
Chartered Accountants

sd/-

Aditya Singhi
Partner
Membership No. 305161
Place : Kolkata
Date: 26th April, 2019

On behalf of the Board of Directors

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

sd/-

Director
Din No.
Place : Mumbai
Date: 26th April, 2019

Singhi & Co.
Chartered Accountants
161, SARAT BOSE ROAD, KOLKATA-700 026, (INDIA)
✆ : +91(0)33-2419 6000/01/02 • E-mail : kolkata@singhico.com • Website : www.singhico.com

INDEPENDENT AUDITOR'S REPORT

To the Members of SREI Insurance Broking Private Limited

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **SREI Insurance Broking Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs),as 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 standalone 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 together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the standalone Ind AS financial statements.

Other Information

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

Our opinion on the standalone 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibility of Management for the standalone Ind AS Financial Statements

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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 control 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 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these standalone Ind AS financial statements, have been audited by us, and we expressed an unmodified opinion on those statements on March 31, 2018.

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, report for the year ended March 31, 2018 and March 31, 2017 dated April 19, 2018 and April 25, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;
   (c) The Balance Sheet, the Statement of Profit and Loss [including the Statement of Other Comprehensive Income], the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

(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, as amended 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 standalone Ind AS financial statements – Refer Note 32 to the standalone 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Aditya Singhi
Partner
Membership No. 305161

Place: Kolkata
Date: 17th April, 2019

ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programmed of physical verification of its fixed assets by which fixed assets are verified in a periodical order. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable properties, accordingly paragraph 1(i)(c) of the Order is not applicable to the Company.

ii. The Company is a service company, primarily rendering insurance auxiliary- General Insurance services. Accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable.

iii. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act to the extent applicable.

v. The Company has not accepted any deposits from the public.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, Goods & Service Tax or cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues or duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, the Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble court has dismissed the petition vide order dated 01.09.2017. However amount of FBT liability has not been determined by the department. Also management of the Company is in the process of filing appeal before the Divisional bench of Hon'ble High Court, Calcutta. In view of this, the Company has not provided for any liability towards FBT till 31 March 2009. However, consequent upon abolition of FBT from according year 2009-10, no liability arises for the year.

viii. The Company did not have any outstanding dues to banks or debenture holders during the year.

ix. The company has not raised any money by way of initial public offer or further public offer including debt instruments during the year. Further, according to the information and explanations given to us the Company has applied term loans for the purpose for which they were obtained.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. The Company did not have any whole time director or manager during the financial year. Accordingly, paragraph 3(xi) of the Order is not applicable.

xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sd/-

(Aditya Singhi)
Partner
Membership No. 305161

Place: Kolkata
Date: 17th April, 2019

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ` ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the" Guidance Note")issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 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 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 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 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting 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.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Sd/-

Aditya Singhi
Partner
Membership No. 305161

Place: Kolkata
Date: 17th April, 2019

❑ *AUDITED FINANCIAL RESULTS*

YEAR ENDED 31ST MARCH 2019

SREI INSURANCE BROKING PRIVATE LIMITED

SREI INSURANCE BROKING PRIVATE LIMITED

Regd Office: 86 C , Topsia Road (South) , Kolkata -700046

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	Year ended
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Income					
1. From Operating Activities	80.42	214.31	273.99	757.73	813.81
2. Other Operating Income	-	-	-	-	-
3. Total Income (1+2)	80.42	214.31	273.99	757.73	813.81
4. Expenditure					
(a) Employees Cost	134.65	73.28	68.01	315.53	433.17
(b) Depreciation (including Amortisation)	0.70	0.74	1.00	3.40	4.07
(c) Operating & Other Expenses	117.70	52.07	24.13	219.64	128.16
(d) Bad Debts written off (Net off Recovery)	74.80	-	28.21	74.80	28.21
(e) Provisions for Bad and Doubtful Debts	(29.87)	11.79	(0.27)	1.67	(0.27)
(f) Total	297.98	137.88	121.07	615.04	593.34
5. Financial Expenses	-	-	7.28	3.12	31.15
6. Profit from Operations before Other Income (3-4-5)	(217.56)	76.43	145.64	139.57	189.32
7. Other Income	8.80	10.45	2.54	24.02	17.98
8. Profit Before Tax (6+7)	(208.76)	86.88	148.18	163.59	207.30
9. Tax expense					
-Current Tax	(47.70)	20.10	34.03	35.30	45.30
-Deferred Tax	(10.10)	(1.40)	(4.51)	5.28	24.73
10. Profit After Tax (8-9)	(150.96)	68.18	118.66	123.01	137.27
11. Paid-up equity share capital (Face Value ₹ 10/- each)	490.00	490.00	490.00	490.00	490.00
12.Reserves excluding Revaluation Reserves as per Balance Sheet				36.90	(89.40)
13.Earnings per share (₹) Basic	(3.08)	1.39	2.42	2.51	2.80
14.Earnings per share (₹) Diluted	(3.08)	1.39	2.42	2.51	2.80

Place : Kolkata

Date : 17th April, 2019

SREI INSURANCE BROKING PRIVATE LIMITED
CIN: U67120WB2002PTC095019

Balance Sheet as at March 31, 2019

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	**ASSETS**				
	Non-Current Assets				
	(a) Property, Plant and Equipment	2	6.03	8.38	10.75
	(b) Intangible Assets	3	0.83	1.88	2.93
	(c) Intangible Assets under Development	3	-	-	5.40
	(d) Financial Assets				
	(i) Other financial assets	4	50.00	50.00	50.00
	(e) Deferred Tax Assets (Net)	5	152.17	159.99	188.88
	(f) Other Non Current Tax Assets (Net)	6	80.55	99.03	135.22
	Current Assets				
	(a) Financial Assets				
	(i) Trade Receivables	7	13.89	109.40	181.03
	(ii) Cash and Cash Equivalents	8	59.23	204.58	64.65
	(iii) Other Bank Balance	9	83.00	4.41	23.64
	(iv) Loans	10	200.00	-	-
	(v) Other Financial Assets	11	5.54	1.75	14.20
	(b) Other Current Assets	12	19.13	6.38	8.48
	Total Assets		**670.37**	**645.80**	**685.18**
II.	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a) Equity Share capital	13	490.00	490.00	490.00
	(b) Other Equity		36.90	(89.40)	(237.46)
	LIABILITIES				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	14	-	100.00	250.00
	(b) Provisions	15	39.68	44.28	75.02
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Trade Payable	16			
	- Due to Micro and Small Enterprises		-	-	-
	- Due to Others		24.26	1.79	11.46
	(ii) Other Financial Liabilities	17	58.76	67.07	78.25
	(b) Other Current Liabilities	18	19.05	29.40	11.82
	(c) Provisions	15	1.72	2.66	6.09
	Total Equity and Liabilities		**670.37**	**645.80**	**685.18**

The Accompanying Notes are an Integral part of the Financial Statements
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

Sd/-
Aditya Singhi
Partner
Membership No. 305161

Place : Kolkata
Date: 17th April, 2019

On behalf of the Board of Directors

Sd/-
Director
Din No.
Place : Kolkata

Sd/-
Director
Din No.
Place : Kolkata

SREI INSURANCE BROKING PRIVATE LIMITED
CIN: U67120WB2002PTC095019

Statement of Profit and Loss for the year ended March 31, 2019

(Rs. in Lakhs)

	Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
(I)	Revenue from Operations	19	757.73	813.81
(II)	Other Income	20	24.02	17.98
(III)	**Total Income**		781.75	831.79
(IV)	**Expenses**			
	(a) Employee benefits expense	21	315.53	433.17
	(b) Finance Costs	22	3.12	31.15
	(c) Depreciation and Amortisation expense	23	3.40	4.07
	(d) Other Expenses	24	296.11	156.10
	Total Expenses		618.16	624.49
(V)	**Profit Before Exceptional Items and Tax (III-IV)**		163.59	207.30
(VI)	Exceptional Items		-	-
(VII)	**Profit Before Tax (V-VI)**		163.59	207.30
(VIII)	**Tax Expense**			
	(a) Current Tax	6	35.30	45.30
	(b) Deferred Tax	5	5.28	24.73
	Total Tax Expense		40.58	70.03
(IX)	**Profit For The Year (VII-VIII)**		123.01	137.27
(X)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		5.83	14.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss	5	(2.54)	(4.16)
	Other Comprehensive Income (X)		3.29	10.79
(XI)	**Total Comprehensive Income for the period (IX+X)**		126.30	148.06
(XII)	**Earnings per equity share (Face value of Rs.10 each)**	30		
	Basic (Rs.)		2.51	2.80
	Diluted (Rs.)		2.51	2.80

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

On behalf of the Board of Directors

Sd/-
Aditya Singhi
Partner
Membership No. 305161

Place : Kolkata
Date: 17th April, 2019

Sd/-
Director
Din No.
Place : Kolkata

Sd/-
Director
Din No.
Place : Kolkata

SREI INSURANCE BROKING PRIVATE LIMITED
CIN: U67120WB2002PTC095019

Statement of Cash Flows for the year ended March 31, 2019

(Rs. in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flows from Operating Activities		
Profit Before Tax	163.59	207.30
Adjustment for :		
Depreciation and Amortization Expense	3.40	4.07
Doubtful and Bad Debts, Advances, Loans and Deposits	1.67	(0.27)
Bad debts written-off (net of recovery)	74.80	28.21
Intangible Assets Under Development Written Off	-	5.40
Finance costs	3.12	31.15
Liabilities No Longer Required written back	(1.85)	(0.86)
Unrealised Foreign Exchange Gain (Net)	(0.08)	(1.39)
Interest Income	(17.57)	(7.33)
Interest Income on Income Tax Refund	(4.60)	(9.79)
Operating profit before working capital changes	222.48	256.49
Changes in working capital :		
Increase / (Decrease) in Trade Receivables, Loans, Advances and Other Assets	(193.71)	59.65
Increase in Other Bank Balances	(78.59)	19.23
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	7.99	(21.18)
Cash generated/(used) in operations	**(41.83)**	**314.19**
Income Tax Paid (Net)	(12.22)	0.68
Net Cash used in Operating Activities	**(54.05)**	**314.87**
B. Cash flows from Investing Activities		
Purchase of Property, Plant and Equipment, Intangibles etc.	-	(0.65)
Interest Received	13.78	5.92
Net Cash used in Investing Activities	**13.78**	**5.27**
C. Cash Flows from Financing Activities		
Proceeds from Long Term Borrowings(Net)	(100.00)	(150.00)
Proceeds from Short Term Borrowings(Net)	-	-
Interest paid (net of foreign exchange fluctuation)	(5.08)	(30.21)
Net Cash generated from Financing Activities	**(105.08)**	**180.21**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(145.35)**	**139.93**
Cash & Cash Equivalents at the beginning of the year	**204.58**	**64.65**
Cash and Cash Equivalents at the end of the period (refer note 8)	**59.23**	**204.58**

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow ".

2) Components of Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.09	0.23
In Current Account	24.14	64.35
Fixed Deposits with original maturity period less than three months	35.00	140.00
	59.23	**204.58**

Change In Liability arising from financing activities (Rs. in Lakhs)

	1st April 2018	Cash Flow	Foreign Exchange Movement	31st March 2019
Borrowing - Non Current (Refer Note 14)	100.00	(100.00)	-	-
	100.00	**(100.00)**	-	-

The Accompanying Notes are an Integral part of the Financial Statements
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

Sd/-
Aditya Singhi
Partner
Membership No. 305161

Place : Kolkata
Date: 17th April, 2019

On behalf of the Board of Directors

Sd/-
Director
Din No.
Place : Kolkata

Sd/-
Director
Din No.
Place : Kolkata

SREI INSURANCE BROKING PRIVATE LIMITED
CIN: U67120WB2002PTC095019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

a. Equity Share Capital

(Rs. in Lakhs)

Particulars	As at April 1, 2017	Issued/(reduction) during the year 2017-18	As at March 31, 2018	Issued/(reduction) during the year 2018-19	As at March 31, 2019
Equity Share Capital	490.00	-	490.00	-	490.00

b. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at the April 1, 2017	(237.46)	(237.46)
Profit for the year	137.27	137.27
Other Comprehensive Income (net of tax)	10.79	10.79
Balance as at March 31, 2018	(89.40)	(89.40)
Balance as at the April 1, 2018	(89.40)	(89.40)
Profit for the year	123.01	123.01
Other Comprehensive Income (net of tax)	3.29	3.29
Balance as at March 31, 2019	36.90	36.90

Retained Earnings:
This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

On behalf of the Board of Directors

Sd/-
Aditya Singhi
Partner
Membership No. 305161

Place : Kolkata
Date: 17th April, 2019

Sd/-
Director
Din No.
Place : Kolkata

Sd/-
Director
Din No.
Place : Kolkata

SREI INSURANCE BROKING PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information
Srei Insurance Broking Private Limited (the "Company") is a public limited company domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046. The Company is a composite insurance broker, licensed by the Insurance Regulatory Development Authority (IRDA), to act as a Direct Broker and a Reinsurance Broker in both the Life and Non-Life Insurance sectors.

(B) Recent Pronouncement
On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - "Leases". Ind AS 116 will supersede the current guidance on lease agreements including Ind AS 17 "Leases" and the related interpretations

Application of above standards is not expected to have any significant impact on the Company's Financial Statements.

(C) Statement of Compliance
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 25.

(E) Significant Accounting Policies

1.1. Basis of Preparation
The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.16- Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Income from insurance commission is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.4. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.5. Foreign Currency Transactions

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

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:

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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:

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

1.6. Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.7. Employee Benefits

Defined Contribution Plans

Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:

Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.8. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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

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

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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

Leasehold assets including improvements are amortised over the period of the lease. Freehold Land is not depreciated.

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

1.9. Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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

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

1.10. Impairment of Assets
Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.11. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

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

1.12. Taxes on Income
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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.13. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.14. Provisions

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.15. Operating Segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Composite Insurance Broking Services.

1.16. Use of Estimates and Judgements
The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. Refer Note 2.5 to the financial statements.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Useful lives of property, plant and equipment and intangible assets:**
As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) **Fair value measurements and valuation processes:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be

recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.17. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.18. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

2 Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Furniture & Fittings	7.89	-	-	7.89	1.24	1.23	-	2.47	5.42
Computer	1.93	-	-	1.93	0.78	0.58	-	1.36	0.57
Office Equipment	1.58	-	-	1.58	1.00	0.54	-	1.54	0.04
Total Tangible assets	**11.40**	**-**	**-**	**11.40**	**3.02**	**2.35**	**-**	**5.37**	**6.03**

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Furniture & Fittings	7.89	-	-	7.89	-	1.24	-	1.24	6.65
Computer	1.28	0.65	-	1.93	-	0.78	-	0.78	1.15
Office Equipment	1.58	-	-	1.58	-	1.00	-	1.00	0.58
Total Tangible assets	**10.75**	**0.65**	**-**	**11.40**	**-**	**3.02**	**-**	**3.02**	**8.38**

3 Intangible Assets and Intangible Assets under Development

(Rs. in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at April 01, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
I. Intangible Assets									
Computer software	2.93	-	-	2.93	1.05	1.05	-	2.10	0.83
Total Intangible assets	**2.93**	**-**	**-**	**2.93**	**1.05**	**1.05**	**-**	**2.10**	**0.83**
II. Intangible Assets under Development	-	-	-	-	-	-	-	-	-

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at April 01, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
I. Intangible Assets									
Computer software	2.93	-	-	2.93	-	1.05	-	1.05	1.88
Total Intangible assets	**2.93**	**-**	**-**	**2.93**	**-**	**1.05**	**-**	**1.05**	**1.88**
II. Intangible Assets under Development	5.40	-	5.40	-	-	-	-	-	-

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

4 Other financial assets (non-current)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Bank deposits with more than 12 months maturity	50.00	50.00	50.00
Total	**50.00**	**50.00**	**50.00**

5 Deferred Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2018	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in OCI	As at March 31, 2019
Deferred Tax Assets				
Provisions	0.73	(0.39)	-	1.12
MAT Credit Entitlement	59.00	(34.10)	-	93.10
Disallowances u/s 43B of IT Act	8.37	(0.56)	2.54	6.39
Unabsorbed Depreciation & Bought Forward Loss	91.57	40.82	-	50.75
Other Timing Differences	-	-	-	-
Total	159.67	5.77	2.54	151.36
Deferred Tax Liabilities				
Property, Plant and equipment and intangible assets	(0.32)	0.49		(0.81)
Other Timing Differences	-	-		
Total	(0.32)	0.49	-	(0.81)
Net deferred tax assets/(liabilities)	159.99	5.28	2.54	152.17

(Rs. in Lakhs)

Particulars	Balance as at 01.04.2017	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in OCI	As at March 31, 2018
Deferred Tax Assets				
Provisions	0.83	0.10	-	0.73
MAT Credit Entitlement	13.69	(45.31)	-	59.00
Disallowances u/s 43B of IT Act	11.81	(0.72)	4.16	8.37
Unabsorbed Depreciation & Bought Forward Loss	162.73	71.16	-	91.57
Other Timing Differences	-	-		-
Total	189.06	25.23	4.16	159.67
Deferred Tax Liabilities				
Property, Plant and equipment and intangible assets	0.18	(0.50)	-	(0.32)
Other Timing Differences	-			-
Total	0.18	(0.50)	-	(0.32)
Net deferred tax assets/(liabilities)	188.88	24.73	4.16	159.99

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

6 Other Non Current Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & TDS receivable	174.90	158.08	149.47
Less : Provision for income tax	(94.35)	(59.05)	(14.25)
Total	80.55	99.03	135.22

i Income Tax Expense/ (Benefits)

The Company is subject to income tax in India on the basis of standalone financial statements. As per the Income Tax Act, the Company is liable to pay income tax which is the higher of regular income tax payable and the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT).

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

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	163.59	207.30
Statutory Income Tax Rate (under MAT)	20.59%	20.39%
Expected income tax expense at statutory income tax rate	33.68	42.27
(i) Income exempt from tax/Items not deductible	1.62	3.03
Total Current Tax Expense recognised in profit and loss account	35.30	45.30

7 Trade Receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Unsecured considered good	11.24	106.17	161.93
Less: Allowance for bad and doubtful debts	(1.81)	(1.97)	(1.23)
	9.43	104.20	160.70
(b) Significant increase in credit risk	-	-	-
Less: Allowance for bad and doubtful debts	-	-	-
	-	-	-
(c) Credit impaired	6.66	5.57	21.78
Less: Allowance for bad and doubtful debts	(2.20)	(0.37)	(1.45)
	4.46	5.20	20.33
Total (a+b+c)	13.89	109.40	181.03

i) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables 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.

7 Trade Receivables (Contd..)

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

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	2.34	2.68
Charge in Statement of Profit and Loss	1.67	(0.34)
Utilized during the year	-	-
Balance at the end of the year	4.01	2.34

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

(Rs. in Lakhs)

Particulars	As at March 31, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	0.05	0.00	0.05
Overdue between three to six months	6.53	0.88	5.65
Overdue between six months to one year	4.66	0.93	3.73
More than 1 year overdue	6.66	2.20	4.46
	17.90	4.01	13.89

(Rs. in Lakhs)

Particulars	As at March 31, 2018		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	16.70	0.05	16.65
Overdue between three to six months	77.27	1.53	75.74
Overdue between six months to one year	12.20	0.39	11.81
More than 1 year overdue	5.57	0.37	5.20
	111.74	2.34	109.40

(Rs. in Lakhs)

Particulars	As at April 01, 2017		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	147.31	0.63	146.68
Overdue between three to six months	(5.58)	(0.15)	(5.43)
Overdue between six months to one year	20.20	0.75	19.45
More than 1 year overdue	21.78	1.45	20.33
	183.71	2.68	181.03

The change in Expected Credit Loss Allowance of the portfolio was driven by an 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.

SREI INSURANCE BROKING PRIVATE LIMITED

Notes to the financial statement for the year ended March 31, 2019

8 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.09	0.23	49.41
Balances with Banks - in Current Account	24.14	64.35	0.24
Balances with Banks - in Deposit Accounts	35.00	140.00	15.00
Total	**59.23**	204.58	**64.65**

9 Other Bank Balance

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with Banks - in Deposit Accounts	83.00	-	-
Balances with Banks -In Current Account- Restricted balance *	-	4.41	23.64
Total	**83.00**	**4.41**	**23.64**

* Represents reinsurance premium received from the Insurance Company for remittance to the Reinsurer. It also includes our brokerage, which is available to us on remittance.

10 Loans - Current

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured, considered good Inter Corporate Deposits Given to Holding Company (Measured at amortised cost)	200.00	-	-
Total	**200.00**	-	-

11 Other Financial Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest Accrued but not due on Fixed Deposits	4.08	1.75	0.34
Interest Accrued but not due on ICD	1.46	-	-
Unbilled Revenue	-	-	13.86
Total	**5.54**	**1.75**	**14.20**

12 Other Current Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	1.13	1.25	1.27
GST Input credit	13.09	-	-
Advances to suppliers	-	-	2.27
Advance to employees	4.91	5.13	4.94
Total	19.13	6.38	8.48

13 Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs. in Lakh	Number	Rs. in Lakh	Number	Rs. in Lakh
Authorised						
Equity Shares of Rs. 10 each	5,000,000	500.00	5,000,000	500.00	5,000,000	500.00
	5,000,000	500.00	5,000,000	500.00	5,000,000	500.00
Issued, Subscribed & Paid up						
Equity Shares of Rs. 10 each fully paid up	4,900,000	490.00	4,900,000	490.00	4,900,000	490.00
Total	4,900,000	490.00	4,900,000	490.00	4,900,000	490.00

13.1 **The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

13.2 Equity shares issued/bought back during the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs. in Lakh	Number	Rs. in Lakh	Number	Rs. in Lakh
Shares outstanding at the beginning of the year	4,900,000	490.00	4,900,000	490.00	4,900,000	490.00
Shares Issued during the year	-	-	-	-	-	-
Shares Forfeiture	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	4,900,000	490.00	4,900,000	490.00	4,900,000	490.00

13.3 Details of Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates :-

Name of Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited*	4,900,000	100.00	4,900,000	100.00	4,900,000	100.00

13.4 Details of shareholder holding more than 5% shares :-

Name of Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited*	4,900,000	100.00	4,900,000	100.00	4,900,000	100.00

* Includes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Ltd.

14 Non-Current Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured Borrowings (Measured at Amortized Cost)			
Term Loans from holding company	-	100.00	250.00
Total	**-**	**100.00**	**250.00**

Nature of Security and terms of repayment for Secured Borrowings

Rupee term loans is secured by way of exclusive charge on all assets, investment & cash flow (except insurance premium received for reinsurance & deposit to be maintained as per IRDA Regulation) and demand promissory note covering the principal and interest repayment. Interest is payable quarterly, compounding on monthly rest @12.25% (i.e.SBR-5.50%) per annum. The principal amount is repayable in two equal instalments at the end of 4th & 5th year from the initial disbursement date (30th June, 2016).

15 Provisions

(A) Non-Current (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Provision for gratuity	19.54	29.87	39.83
Provision for compensated absence	20.14	14.41	35.19
Total	**39.68**	**44.28**	**75.02**

(B) Current (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Provision for gratuity	0.17	0.20	0.19
Provision for compensated absence	1.55	2.46	5.90
Total	**1.72**	**2.66**	**6.09**

16 Trade Payables

(A) Due to Micro and Small Enterprises (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

16 Trade Payables (Contd..)

(B) Due to Others

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For Services	24.26	1.79	11.46
Total	24.26	1.79	11.46

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

17 Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Re-insurance premium payable	-	4.41	18.37
Interest Accrued and due on Borrowings	-	1.96	2.41
Liabilities For Expenses	8.80	13.71	19.42
Employee Payable	49.96	46.99	38.05
Total	58.76	67.07	78.25

18 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory liabilities	11.97	19.73	11.35
Advance from Customer	7.08	9.67	0.47
Total	19.05	29.40	11.82

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

19 Revenue from Operations

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Services		
- Insurance Commission	650.96	665.54
- Re-Insurance Commission	4.31	7.80
- Reward Commission	102.46	70.47
- Consultancy Fee	-	70.00
Total	**757.73**	**813.81**

The company has presented revenue based on the type of services provided to the customers. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

20 Other Income

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income comprises interest from:		
- Deposits with banks etc. - carried at amortised cost	15.94	7.33
- Inter Corporate Deposits	1.63	-
- Others (from statutory authorities etc.)	4.60	9.79
Liabilities No Longer Required Written Back	1.85	0.86
Total	**24.02**	**17.98**

21 Employee benefits expense

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	302.13	412.81
Contribution to Provident and Other Funds	11.23	16.69
Staff Welfare Expenses	2.17	3.67
	315.53	**433.17**

22 Finance Costs

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense		
- On financial liabilities measured at amortised cost	3.12	31.15
	3.12	**31.15**

23 Depreciation and amortisation expenses

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on tangible assets	2.35	3.02
Amortisation of intangible assets	1.05	1.05
	3.40	**4.07**

24 Other Expenses

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	20.28	12.63
Electricity Charges	0.21	-
Rates and Taxes	1.05	0.33
Repairs - Others	0.91	11.25
Insurance	2.18	2.42
Legal & Professional Fees	126.16	28.61
Travelling and conveyance	35.55	48.66
Communication Expenses	2.03	2.68
Membership & Subscription	11.77	3.69
Business Promotion	9.69	5.86
Employee Training & Education Expenses	5.72	0.60
Net foreign exchange (gain)/loss	0.08	1.39
Director's Sitting Fees	1.75	2.00
Auditor's fees and expenses *	1.65	1.50
Intangible Assets Under Development Written Off	-	5.40
Bad debts written-off (net of recovery)	74.80	28.21
Doubtful and bad advances, loans and deposits	1.67	(0.27)
Miscellaneous expenses	0.61	1.14
	296.11	156.10

* Payments to the Auditor (including Service Tax/ GST):

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As Auditor - Statutory Audit	0.89	0.89
For Other Services (Certification etc.)	1.06	0.87
Total	1.95	1.76

25 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,
b. not recognising items of assets or liabilities which are not permitted by Ind AS,
c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

(ii) Fair value at deemed cost for items of property, plant and equipment

Company has elected to use the carrying amount of items of property, plant and equipment under previous GAAP on the date of transition to Ind AS as deemed cost for Ind AS.

Reconciliation of Total Equity as previously reported under Previous GAAP to IND AS:

Particulars	Note	As at 31.03.2018	As at 01.04.2017
Equity as reported under previous GAAP		402.21	254.40
Re-measurements on transition to Ind AS			
(1) Expected credit loss	(i)	(2.33)	(2.68)
(2) Deferred tax on above adjustments	(iii)	0.72	0.82
Total Equity as reported under Ind AS		400.60	252.54

Reconciliation of Total Comprehensive Income for the year ended 31 March 2018.

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		147.82
Adjustments:		
(1) Expected credit loss	(i)	0.34
(2) Re-measurement of defined benefit obligations	(ii)	(14.95)
(3) Deferred tax on above adjustments	(iii)	4.06
Profit / (Loss) After Tax as reported under Ind AS		137.27
(1) Re-measurement of defined benefit obligations	(ii)	14.95
(2) Deferred tax on above adjustments	(iii)	(4.16)
Total Comprehensive Income as reported under Ind AS		148.06

Footnotes to the reconciliation of equity as at April 1, 2017 and 31st March 2018 and Total Comprehensive Income for the year ended 31st March 2018.

(i) Expected credit loss

Under Previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the company. This judgement was based on consideration of information available up to the date on which the financial statements were approved.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortized cost. Expected loss on individually significant receivables is assessed when they are past due and based on company's historical counterparty default rates.

(ii) Re-measurement of defined benefit obligations

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of Remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

(iii) Tax Impact on above adjustments

Under Previous GAAP, deferred tax was accounted using the income statement approach on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of assets or liabilities in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

26 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations, long term and short term borrowings from financial institutions

The capital structure of the Company consists of net debt (borrowings as detailed in notes 14 offset by cash and cash equivalents in note 8) and total equity of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances).

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(Rs. In Lakh)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Equity Share Capital	490.00	490.00	490.00
Other Equity	36.90	(89.40)	(237.46)
Total Equity (A)	526.90	400.60	252.54
Non Current Borrowings	-	100.00	250.00
Gross Debts (B)	-	100.00	250.00
Total Capital (A+B)	526.90	500.60	502.54
Gross Debt as above	-	100.00	250.00
Less: Cash and Cash Equivalents	59.23	204.58	64.65
Less: Other Balances with Bank (including non-current earmarked balance	133.00	54.41	73.64
Net Debt (C)	(192.23)	(158.99)	111.71
Net Debt to Equity	(0.41)	(0.49)	0.44

Net debt to equity as at 31.03.2019 and 31.03 2018 has been computed based on average equity and as on 1.04 2017, it is based on closing equity

27 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 1 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in Lakhs)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
i) Cash and cash equivalents	59.23	59.23	204.58	204.58	64.65	64.65
ii) Other bank balances	133.00	133.00	54.41	54.41	73.64	73.64
iii) Trade Receivables	13.89	13.89	109.40	109.40	181.03	181.03
iv) Loans	200.00	200.00	-	-	-	-
v) Other financial assets	5.54	5.54	1.75	1.75	14.20	14.20
Total financial assets	411.66	411.66	370.14	370.14	333.52	333.52
Financial liabilities						
a) Measured at amortised cost						
i) Payables	24.26	24.26	1.79	1.79	11.46	11.46
ii) Borrowings	-	-	100.00	100.00	250.00	250.00
iii) Other financial liabilities	58.76	58.76	67.07	67.07	78.25	78.25
Total financial liabilities	83.02	83.02	168.86	168.86	339.71	339.71

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

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 include: cash, cash equivalents, other bank balances, Loans, Trade and Other receivables.

Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at a rate that reflects market risks

Other financial liabilities measured at amortised cost

For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value
Such instruments include: Trade & Other payables.

27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

B) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on policies and procedures issued by appropriate authorities, internal control systems, process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

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

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

However the company's exposure to foreign exchange rate fluctuation is not significant as the level of foreign currency transactions are limited. Therefore the company does not hedge its exposure in foreign currency. Unhedged exposure in foreign currency is as under:

(Rs. In Lakhs)

Particulars	Currency of exposure	As at 31-3-2019	As at 31-3-2018	As at 01-04-17
Re-insurance premium payable (In Rs. equivalent in Lakh)	USD	-	4.41	18.37

Foreign currency sensitivity

Foreign Currency Sensitivities for unhedged exposure (impact on increase in 0.5%) gain/(loss):

Particulars	Currency of exposure	As at 31-3-2019	As at 31-3-2018	As at 01-04-2017
Re-insurance premium payable (In Rs. equivalent in Lakh)	USD	-	(0.02)	(0.09)

Note: If the rate is increased by 0.5% profit of the Company will increase by an equal amount

Figures in brackets indicate decrease in profit

ii. Interest rate risk

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counter party risks.

Interest Rate Exposure (Rs. in lakhs) (Rs. In Lakhs)

	Currency of exposure	As at 31-3-2019	As at 31-3-2018	As at 01-04-2017
Financial Liabilities (non current)				
Borrowings	INR	-	100.00	250.00

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Interest Rate Sensitivities for outstanding exposure (impact on increase in 0.25%) gain/(loss): (Rs. In Lakhs)

	Currency of exposure	As at 31-3-2019	As at 31-3-2018	As at 01-04-2017
Financial Liabilities (non current)				
Borrowings	INR	-	(0.25)	(0.63)

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

Note: If the rate is increased by 0.25% profit of the Company will decrease by an equal amount. Figures in brackets indicate decrease in profit.

27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

b) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
A: Financial assets						
(i) Trade Receivables	13.89	-	109.40	-	181.03	-
(ii) Cash and Cash Equivalents	59.23	-	204.58	-	64.65	-
(iii) Other Bank Balance	83.00	-	4.41	-	23.64	-
(iv) Loans	200.00	-	-	-	-	-
(v) Other Financial Assets	5.54	50.00	1.75	50.00	14.20	50.00
Total	**361.66**	**50.00**	**320.14**	**50.00**	**283.52**	**50.00**
B: Financial liabilities						
i) Borrowings	-	-	-	100.00	-	250.00
ii) Trade payables	24.26	-	1.79	-	11.46	-
iii) Other financial liabilities	58.76	-	67.07	-	78.25	-
Total	**83.02**	**-**	**68.86**	**100.00**	**89.71**	**250.00**

c) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

28 **Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.**

The Company has recognised, in Statement of Profit and Loss for the year ended 31.03.2019 an amount of Rs.10.80 Lakhs (Previous year Rs.15.90 Lakhs) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans.The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

All employees who have rendered service for specified period as per the Payment of Gratuity Act, 1972 are entitled for gratuity The gratuity amount is determined based on the last drawn salary and period of service with the company.

The defined benefit obligations are unfunded and thus the disclosure requirements of plan assets have not been made.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31.03.2019.

28.1 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs. in Lakhs)

Description	Gratuity			Leave		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
1. Change in the defined benefit obligation						
Present Value of Obligation at the Beginning of the Year	30.06	0.00	29.19	9.70	0.00	21.98
Current Service Cost	4.25	4.14	10.83	2.88	3.69	8.18
Interest Cost	1.88	2.79	2.24	0.34	1.41	1.41
Acquisitions Cost/credit	-	-	-	-	-	-
Actuarial (gain)/loss	(5.83)	(14.95)	(1.30)	10.54	(7.98)	3.10
Benefits paid	(10.66)	(1.94)	(0.94)	(10.53)	(14.20)	(7.87)
Present Value of Obligation at the end of the Year	19.71	(9.96)	40.02	12.94	(17.08)	26.79
2. Amount recognised in Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	-	-	-	-	-	-
Present Value of Obligation at the end of the Year	19.71	(9.96)	40.02	12.94	(17.08)	26.79
(Asset)/Liabilities as per the actuarial valuation	19.71	(9.96)	40.02	12.94	(17.08)	26.79
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	19.71	(9.96)	40.02	12.94	(17.08)	26.79
3. Expenses recognised in the statement of profit and loss consists of:	Year ended 31.03.2019	Year ended 31.03.2018		Year ended 31.03.2019	Year ended 31.03.2018	
Employee benefits expenses:						
Current Service cost	4.25	4.14		2.88	3.69	
Net Interest cost	1.88	2.79		0.34	1.41	
Total [A]	6.13	6.93		3.22	5.09	
Other Comprehensive Income						
Actuarial (Gain) / Loss from experience adjustments	(6.09)	(13.28)		10.34	(7.43)	
Actuarial (Gain) / Loss from financial assumptions	0.27	(1.67)		0.20	(0.54)	
Return on plan assets (excluding amounts included in net interest cost)	-	-		-	-	
Total [B]	(5.83)	(14.95)		10.54	(7.98)	
Expense recognised during the year [A+B]	0.30	(8.01)		13.76	(2.89)	

28.2 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs. in Lakhs)

Description	Gratuity % Invested			Leave % Invested		
	31.03.2019	31.03.2018	01.04.2017	31.03.2019	31.03.2018	01.04.2017
4. Investment Details of Plan Assets	NA	NA	NA	NA	NA	NA
5. Assumptions						
Discount rate per annum	7.50%	7.60%	7.15%	7.50%	7.60%	7.15%
Salary escalation rate per annum	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Best Estimate of Employers' Expected Contributions for the next year	NA	NA	NA	NA	NA	NA
Method used	Projected Unit Credit Method			Projected Unit Credit Method		

SREI INSURANCE BROKING PRIVATE LIMITED

Notes to the financial statement for the year ended March 31, 2019

28.3 The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons

28.4 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year

	Year ended 31.03.2019				Year ended 31.03.2018				Year ended 01.04.2017			
	Gratuity		Leave		Gratuity		Leave		Gratuity		Leave	
	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)
Discount Rate + 1%	(0.13)	(2.50)	(0.14)	(1.83)	(0.11)	(3.23)	(0.11)	(1.05)	(0.15)	(6.04)	(0.11)	(3.01)
Discount Rate - 1%	0.15	2.94	0.17	2.21	0.13	3.91	0.13	1.28	0.18	7.37	0.14	3.67
Salary Increase Rate + 1%	0.14	2.76	0.17	2.14	0.10	2.90	0.13	1.25	0.15	6.17	0.13	3.57
Salary Increase Rate – 1%	(0.13)	(2.47)	(0.14)	(1.81)	0.08	(2.50)	(0.11)	(1.05)	(0.13)	(5.24)	(0.11)	(3.00)

28.5 Maturity Analysis Of The Benefit Payments

	Year ended 31.03.2019		Year ended 31.03.2018		Year ended 01.04.2017	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
Year 1	0.17	0.20	0.20	1.51	0.20	3.88
Year 2	0.27	0.14	0.25	0.87	0.49	2.25
Year 3	0.34	0.16	0.38	0.52	0.60	1.37
Year 4	0.44	0.17	0.48	0.34	0.82	0.90
Year 5	0.74	0.20	0.63	0.25	1.24	0.70
Next 5 Years	12.05	1.75	8.99	1.43	18.46	4.07

28.6 Sick Leave Benefit (Unfunded)

S.No	Particulars	Sick Leave Benefit (Unfunded)	
		As at 31 March, 2019	As at 31 March, 2018
	Assets/ Liabilities		
1	Projected Benefit Obligation	(8.75)	(7.17)
2	Fair Value of Plan Assets	-	-
3	Current Asset / (Liability)	(1.36)	(1.00)
4	Non Current Asset / (Liability)	(7.39)	(6.17)
	Actuarial Assumptions		
1	Discount Rate	7.50%	7.60%
2	Expected return on plan assets	NA	NA
3	Salary Escalation	10.00%	10.00%

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

29 Related Party Disclosures

a) Related Parties list

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Holding Company**	
2	Srei Infrastructure Finance Limited (SIFL)	India
C	**Fellow Subsidiaries:**	India
3	Srei Capital Markets Limited	India
4	Srei Alternative Investment Managers Limited	India
5	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
6	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
7	Srei Mutual Fund Trust Private Limited	India
8	Srei Mutual Fund Asset Management Private Limited	India
9	Controlla Electrotech Private Limited	India
10	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
11	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
12	Quippo Oil & Gas Infrastructure Limited	India
13	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited)	India
14	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
15	Srei Equipment Finance Limited	India
16	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
D	**Fellow Associates**	
17	Sahaj e-Village Limited	India
18	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
19	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
20	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
21	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
E	**Others**	
22	Srei Mutual Fund Trust	India
23	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
F	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
24	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
25	Mr. Rajendra Nath Tripathi	Independent Director
26	Mr. Ratiranjan Mandal	Independent Director
27	Mr. Sanjeev Sancheti	Non Excecutive Director
28	Mr. Vikash Khandelwal (Between 5th November 2012 to 30th September, 2017)	Chief Executive Officer
29	Mr. Sandeep Sahay (Between 9th April 2015 to 7th September, 2018)	Company Secretary
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
30	Mr. Hemant Kanoria	Chairman & Managing Director - Holding Company
31	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
32	Mr. Malay Mukherjee	Independent Director - Holding Company
33	Mr. S Rajagopal	Independent Director - Holding Company
34	Mr. S.Chatterjee	Independent Director - Holding Company
35	Dr. Punita Kumar Sinha	Independent Director - Holding Company
36	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
37	Dr. Tamali Sengupta (From 01.04.2017 to 26.10.2017 again appointed on 04.02.2019 onwards)	Additional Director (Category - Independent) - Holding Company
38	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY – Non Executive Non Independent)- Holding Company
39	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
40	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
41	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
42	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
43	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
44	Mr. Sanjeev Sancheti	Chief Strategy Officer - Holding Company
45	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
46	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
47	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Chief Internal Auditor - Holding Company

29 Related Party Disclosures (Cont..)

b) Related Parties transaction

Transactions entered with related parties during the year ended March 31, 2019 and March 31, 2018 are as under:

(Rs. in Lakhs)

Name of related party	Nature of Transactions	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) Holding Company			
Srei Infrastructure Finance Limited	**Transactions:**		
	Rent Expenses	11.28	5.45
	ICD Given during the year	200.00	-
	Loan Refunded	100.00	158.00
	Loan Taken	-	8.00
	Interest Expenses	3.12	31.15
	Interest Income on ICD	1.63	-
(B) Enterprise over which relative of KMP (of holding Company) has significant influence			
India Power Corporation Limited (w.e.f. 1st June, 2017)	Rent & electricity charges	1.77	-
(C) Key Management Personnel (KMP)/Director:			-
Mr. Rajendra Nath Tripathi	Director's Sitting Fee	1.00	1.00
Mr. Ratiranjan Mandal	Director's Sitting Fee	0.75	1.00
Mr. Vikash Khandelwal	Salary and Allowances	-	47.01
Mr. Sandeep Sahay	Salary and Allowances	6.65	13.59

Balance due with related parties as on March 31, 2019 , March 31, 2018 and April 01, 2017 are as under:

(Rs. in Lakhs)

Name of related party	Outstanding balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A) Holding Company				
Srei Infrastructure Finance Limited	**Balance Outstanding :**			
	ICD given balance receivable	200.00	-	-
	Interest Accrued but not due on ICD	1.46	-	-
	Interest Accrued but not due on loan	-	1.96	2.41
	Balance Loan Payable	-	100.00	250.00

c) Compensation to Key Managerial Personnel/Director:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-term benefit	6.51	58.93
Other long-term employee benefit	0.14	1.67
Post-employment benefit	-	-
Director sitting fee	2.00	1.75

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

30 **Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:**

S.No	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
1	Profit/ (Loss) after tax attributable to Equity Shareholders (Rs. In Lakhs)	123.01	137.27
2	Weighted average number of Equity Shares Basic (Nos.)	4,900,000	4,900,000
3	Weighted average number of Equity Shares Diluted (Nos.)	4,900,000	4,900,000
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	2.51	2.80
6	Diluted Earnings per share (Rs)	2.51	2.80

31 **Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Insurance Broking.

32 **Contingent Liability and capital commitment**

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Contingent Liability			
Claims against the company not acknowledged as debt			
-Income Tax (F.Y. 2010-11)	-	-	0.61
Total	-	-	0.61
Capital Commitment	-	-	-

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble court has dismissed the petition vide order dated 01.09.2017. The Company has filed Appeals before the Division Bench of Hon'ble Calcutta High Court. The Income Tax liability is yet to be determined by the Income Tax Department. In view of this, the Company has not provided for any liability towards FBT till 31 March 2009. However, consequent upon abolition of FBT from accounting year 2009-10, no liability arises for the current year.

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2019

33 As per the requirement of the Regulation 34 of the IRDAI(Insurance Brokers) Regulation 2018 the details of Insurers - wise income is shown below:-

(Rs. in Lakhs)

SL.No	Name of Reinsurer	Year ended March 31, 2019	Year ended March 31, 2018
1	Aegon Religare Life Insurance Company Limited	-	0.06
2	Apollo Munich Health Insurance	0.21	0.24
3	Bajaj Allianz General Insurance Company Limited	2.36	30.90
4	Bajaj Allianz Life Insurance Company Limited	88.44	77.99
5	Berns Brett India Insurance Broking Private Limited	4.01	-
6	Bharti Axa General Insurance Company Limited	2.57	1.33
7	Bharti AXA Life Insurance Company Limited	2.50	29.17
8	Cholamandalam MS General Insurance Company Limited	0.29	1.52
9	DHFL Pramerica Life Insurance Company Limited	10.13	8.89
10	Future General India Insurance Company Limited	0.13	0.12
11	General Insurance Corporation of India	-	0.36
12	HDFC Egro General Insurance Company Limited	56.10	67.38
13	ICICI Lombard General Insurance Company Limited	3.48	11.02
14	ICICI Prudential Life Insurance Company Limited	1.05	-
15	IFFCO Tokyo General Insurance Company Limited	11.46	1.43
16	Kotak Mahindra Old Mutual Life Insurance Limited	-	2.50
17	Kotak Mahindra Life Insurance Company Limited	10.42	-
18	Magma HDI General Insurance Company Limited	0.01	0.20
19	National Insurance Company Limited	1.11	5.77
20	Oriental Insurance Company Limited	89.02	50.23
21	Reliance General Insurance Company Limited	37.41	48.78
22	Religare Health Insurance Company Limited	228.37	161.19
23	Royal Sundaram Alliance Insurance Company Limited	38.91	37.86
24	SBI General Insurance Company Limited	30.67	10.04
25	Shriram General Insurance Company Limited	0.24	0.45
26	Star Health And Allied Insurance Company Limited	-	0.09
27	Tata AIG General Insurance Company Limited	15.59	14.10
28	The New India Assurance Company Limited	52.19	84.22
29	United India Insurance Company Limited	69.55	97.63
30	Universal Sompo General Insurance Company Limited	1.50	0.33
	Total	**757.73**	**743.81**

34 Group Companies and/or associates and /or related parties of the Srei Insurance Broking Private Limited has not received any payment from any insurer's group companies.

35 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current reporting year.

As per our report of even date annexed.

For Singhi & Co.
Chartered Accountants

On behalf of the Board of Directors

Sd/-
Aditya Singhi
Partner
Membership No. 305161

Place : Kolkata
Date: 17th April, 2019

Sd/-
Director
Din No.
Place : Kolkata

Sd/-
Director
Din No.
Place : Kolkata

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company, have pleasure in presenting the Seventeenth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

FINANCIAL RESULTS AND OPERATIONS

(Rs. In Lakhs)

Particulars	2018-19	2017-18
Total Income	781.75	831.79
Profit before finance charges, Tax, Depreciation/Amortization (PBITDA)	170.11	242.52
Less : Finance Charges	3.12	31.15
Profit before Depreciation/Amortization (PBTDA)	166.99	211.37
Less : Depreciation	3.40	4.07
Net Profit before Taxation (PBT)	163.59	207.30
Provision for taxation	-	-
Current tax	35.30	45.30
Less: (MAT credit entitlement)	-	-
Deferred Tax	5.28	24.73
Income Tax in respect of earlier year	-	-
Profit/(Loss) after Taxation (PAT)	123.01	137.27
Provision for proposed dividend	NIL	NIL
Dividend tax	NIL	NIL

REVIEW OF OPERATIONS, DURING THE FINANCIAL YEAR 2018-19 & FUTURE PROSPECTS

During the year under review, the total income of the Company was Rs.781.75 Lakh as against Rs. 831.79 Lakh, during the previous financial year. The Company recorded a net profit (PAT) of Rs.123.01 Lakh against a net profit (PAT) of Rs.137.27 Lakh during the previous financial year.

During the year the focal point of the Company was on customer acquisition and retention, primarily the thrust was on quality advisory and customer service enhancement, enrichment and best in class value added services. Despite a competitive and arduous work environment we have left our mark in establishing a cordial relationship with our counterparts' i.e the reinsurers, cedants and the clients.

During the current year also the impetus of the Company would be on the Construction & Infrastructure, Projects, Power, energy & the equipment space. Other highlights would be on team building and extending the reach of our advisory potentials. the company will focus on the growth of its own opportunities by providing customers optimum coverage at competitive price, improve Service standards, Focus on post sales services & Employee Wellness and Benefit. The pivot of Reinsurance business for both inward and outward will continue to be on the facultative class of business.

DIVIDEND

The Board of directors does not recommended any dividend for the Financial Year 2018-19 and has decided to transfer the entire profit of the year to the Reserve & Surplus.

RESERVES & SURPLUS

The appropriations are as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Surplus/ (deficit) in statement of Profit and Loss		
Balance as per last financial statement	(89.40)	(237.46)
Add: Transfer from Statement of Profit & Loss	123.01	137.27
Add: Other Comprehensive Income (net of tax)	3.29	10.79
Closing Balance	36.90	(89.40)

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business carried out by the Company.

SHARE CAPITAL

There has been no change in the Share Capital of the Company during the Financial Year 2018-19.

HOLDING COMPANY

The Company is a direct Subsidiary of Srei Infrastructure Finance Limited as on 31st March. 2019.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your Company does not have a Subsidiary / Joint Venture / Associate Companies, therefore, the relevant disclosure as required under the Companies Act, 2013 is not provided.

PUBLIC DEPOSITS

The Company has not invited or accepted any Deposits from the Public, covered under Section 73 of the Companies Act, 2013, and The Companies (Acceptance of Deposits) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosure with regard to conservation of energy and technology absorption, as required under the provisions of the Companies Act, 2013, is not applicable to your Company.

During the year under review, there were no foreign exchange earnings and no foreign exchange expenditure by your Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) (IF APPLICABLE) AND ITS TERMS OF REFERENCE

During the year under review, the provisions of the Companies Act, 2013 with regard to Corporate Social Responsibility were not applicable to your Company, therefore, your Company is not required to make the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

DIRECTORS

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Dr. Ratiranjan Mandal, Director of your Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend the re-appointment of Dr. Ratiranjan Mandal at the ensuing Annual General Meeting of the Company.

During the year under review, Mr. Sandeep Sahay, Company Secretary resigned from the Company with effect from 7th September, 2018. Mr. Santosh Kumar, Principal Officer, resigned from the Company with effect from 16th April, 2019. Mr. Dipankar Das, Compliance Officer resigned from the Company with effect from 16th April, 2019 and Mr. Anurag Aditya was appointed as a Compliance Officer with effect from 17th April, 2019. Ms. Vibha Agarwal was appointed as Chief Executive Officer and Principal Officer of the Company in accordance with the provisions of the Companies Act, 2013 and IRDA (Insurance Brokers) Regulation 2013 with effect from 17th April, 2019.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2018-19, the Company held 4 (four) meetings of the Board of Directors on the following dates:

Date of Board Meeting	Directors present
19th April, 2018	Mr. R. N. Tripathi Dr. Ratiranjan Mandal Mr. Sanjeev Sancheti
3rd August, 2018	Mr. R. N. Tripathi Dr. Ratiranjan Mandal
30th October, 2018	Mr. R. N. Tripathi Dr. Ratiranjan Mandal
18th January, 2019	Mr. R. N. Tripathi Dr. Ratiranjan Mandal

AUDIT COMMITTEE

In terms of the provisions of the Companies Act, 2013 read with relevant Rules framed thereunder, your Company is not required to constitute Audit Committee.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The provisions with regard to establishment of vigil mechanism for directors and employees are not applicable to your Company.

NOMINATION AND REMUNERATION COMMITTEE

In terms of the provisions of the Companies Act, 2013 read with relevant Rules framed thereunder, your Company is not required to constitute a Nomination and Remuneration Committee.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

PARTICULARS OF EMPLOYEES

None of the employees of your Company is in receipt of Remuneration which requires Disclosure pursuant to the Provisions of Section 134(3)(q) of the Companies Act, 2013, read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review your Company has not granted any loan or made any investment or given any guarantee under Section 186 of the Companies Act, 2013, therefore, the required disclosure is not required to be given by your Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all related party transactions entered into by the Company during the financial year 2018-19 were in ordinary course of Business and were on an arm's length basis, hence, form AOC-2 is not applicable to your Company.

SECRETARIAL AUDIT REPORT

The provisions with regard to Secretarial Audit Report are not applicable to your company.

RISK MANAGEMENT POLICY

In the opinion of the Board, there is no element of risk, which may threaten the existence of the company.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the company which occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review no order has been passed by the regulators / courts / tribunals impacting the going concern status and company's operations in future.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form MGT-9 is annexed hereto as **Annexure-A** which forms an integral part of the Directors' Report.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company is guided under the policy framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, in the Group as a whole. No complaint is received during the year ended 31st March, 2019.

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA), vide its notification dated 16th February, 2015, notified Indian Accounting Standard (Ind AS) applicable to certain Class of Companies. Ind AS has replaced has the Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Company has adopted Ind AS with effect from 1st April, 2018 and accordingly the Financial Statements of the Company along with the comparative has been prepared in accordance with the recognition and measurement principle stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder.

The Reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in notes to the Financial Statement.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to policies and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the Company and that they were adequate and operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITORS REPORT

M/s. Singhi & Co., Chartered Accountants, Kolkata having Registration No. 302049E allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 24th July, 2014 to hold office till the conclusion of the 17th Annual General Meeting. Hence, their term expires on the conclusion of the ensuing 17th Annual General Meeting.

Therefore, pursuant to the provisions of Section 139(1) of the Companies Act, 2013, the Company is required to Appoint Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of ensuing 17th Annual General Meeting till conclusion of the 22nd Annual General Meeting of the Company. In this regard, M/s. J K V S & CO., Chartered Accountants have expressed their willingness to perform as Statutory Auditors of the Company.

The Board of Directors recommend to the Members for appointment of M/s. J K V S & Co., Chartered Accountants, Kolkata as the Statutory Auditors of the Company, at the ensuing Annual General Meeting for a period of 5 years commencing from the conclusion of ensuing 17th Annual General Meeting till conclusion of the 22nd Annual General Meeting of the Company.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the cooperation and contribution made by the Company's Bankers, Customers, Associates, and Shareholders for their continued active support and cooperation.

Your Directors also wish to place on record its sincere appreciation for the wholehearted and dedicated services rendered by employees at all levels during the year under review and look forward to their continued cooperation in realization of the corporate goals in the years ahead.

For and on behalf of the Board of Directors

Sd/-	Sd/-
(Rajendra Nath Tripathi)	**(Sanjeev Sancheti)**
Chairman	**Director**
DIN: 00090547	**DIN: 02264129**

Place: Kolkata
Date: 17.04.2019

SREI
Insurance Broking

Annexure-A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U67120WB2002PTC095019
Registration Date	16th August, 2002
Name of the Company	**SREI INSURANCE BROKING PRIVATE LIMITED**
Category / Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	"Vishwakarma", 86-C, Topsia Road (South), Kolkata, West Bengal- 700 046
Whether listed company (Yes/No) :	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Email: venu.sp@karvy.com Telephone no.: (040) 67162222 Fax no.: (040) 23001153

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Insurance Commission (including reinsurance commission)	Section-K, Group-662, Class-6622, Sub-Class-66220	100.00

SREI
Insurance Broking

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1.	Srei Infrastructure Finance Limited (SIFL) Registered Office: Vishwakarma, 86-C, Topsia Road (South), Kolkata-700 046	L29219WB1985PLC055352	Holding Company	100.00%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	48,99,400	48,99,400	99.99	-	48,99,400	48,99,400	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Nominees of Holding Company)	-	600	600	00.01	-	600	600	00.01	-

SREI
Insurance Broking

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A)(1):	-	49,00,000	49,00,000	100	-	49,00,000	49,00,000	100	-
(2) Foreign									
a)NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	49,00,000	49,00,000	100	-	49,00,000	49,00,000	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-

SREI
Insurance Broking

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	49,00,000	49,00,000	100	-	49,00,000	49,00,000	100	-

ii) Shareholding of Promoter:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Srei Infrastructure Finance Limited & its nominees	49,00,000	100%	-	49,00,000	100%	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	------------ Not applicable ------------			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):				
	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

SREI
Insurance Broking

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	100.00	-	-	100.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.96	-	-	1.96
Total (i+ii+iii)	101.96	-	-	101.96
Change in Indebtedness during the financial year				
* Addition Principal Interest	- 1.16	-	-	- 1.16
* Reduction Principal Interest	100.00 3.12	-	-	100.00 3.12
Net Change	-101.96			-101.96
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

SREI
Insurance Broking

2

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIA PERSONNEL

A. *Remuneration to Managing Director, Whole-time Directors and/or Manager : NIL*

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. *Remuneration to other directors*

(Rs. In Lakhs)

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. R. N. Tripathi	Dr. Ratiranjan Mandal	
1.	Independent Directors	-	-	-
	Fee for attending board committee meetings	1.00	0.75	1.75
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	1.00	0.75	1.75
2.	Other Non-Executive Directors	-	-	-
	Fee for attending Board/ Committee meetings	-	-	-
	Commission	-	-	-

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. R. N. Tripathi	Dr. Ratiranjan Mandal	
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	**1.00**	**0.75**	**1.75**
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	

C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	CS (Sandeep Sahay)*	CEO & Principal Officer	Total
1.	Gross salary	-			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	6.07	-	6.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.14	-	0.14
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	6.21	-	6.21

*Resigned with effect from 7th September, 2018.

SREI
Insurance Broking

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Srei Insurance Broking Private Limited

Sd/-
(Rajendra Nath Tripathi)
Chairman
DIN: 00090547

Sd/-
(Sanjeev Sancheti)
Director
DIN: 02264129

Place: Kolkata
Date: 17.04.2019

Srei Asset Finance Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifth Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2019.

FINANCIAL RESULTS AND OPERATIONS

(Amount in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Total Income	1.87	0.69
Total Expenditure	1.81	0.54
Profit / (Loss) Before Depreciation	0.06	0.15
Depreciation	-	-
Profit / (Loss) Before Bad Debts / Provision and Tax	-	-
Bad Debts / Provisions etc.	-	-
Profit/(Loss) Before Tax	**0.06**	**0.15**
Provision for Current Tax	0.02	0.04
Income tax in respect of earlier year	-	-
Deferred Tax	-	-
Profit/(Loss) After Tax	**0.04**	**0.11**
Balance brought forward from previous year	**(0.06)**	**(0.17)**
Balance carried to Balance Sheet	**(0.02)**	**(0.06)**
Paid up Equity Share Capital	10.00	10.00
Amount transferred to Reserves	-	-

REVIEW OF OPERATIONS

In the Financial Year 2018-19, the total profit after tax of the Company stands at Rs. 0.04 Lakhs as compared to the previous year profit of Rs. 0.11 Lakhs.

DIVIDEND

Your Board of Directors does not recommend any Dividend for the relevant Financial Year 2018-19.

TRANSFER TO RESERVES

The Company is not statutorily required to transfer any amount to the General Reserve for the financial year 2018-19.

SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Ventures and Associate Company as required to be disclosed in terms of provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5 and 8(5) the Companies (Accounts) Rules, 2014.

Srei Asset Finance Limited

ARRANGEMENT AND AMALGAMATION

The Board of Director of your company, on the basis of reports and opinions received from various advisors and consultants and potential internal restructuring of the businesses, has approved a composite scheme of arrangement and amalgamation amongst Srei Infrastructure Finance Limited (SIFL), Srei Equipment Finance Limited (a wholly owned subsidiary) ("SEFL"), Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited), (the Company) (a wholly owned subsidiary) and their respective shareholders and creditors ("Scheme") in accordance with scheme prepared under Sections 230-232 of the Companies Act, 2013 and the rules made thereunder.

PUBLIC DEPOSITS

The Company has not invited or accepted deposits from the public covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014. However, 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 outflow was NIL (Previous Year – NIL). Your Company has not earned any foreign exchange during the year under review (Previous Year – Nil).

DIRECTOR & KEY MANAGERIAL PERSONNEL

DIRECTORS

During the year under review, Mr. Vishnu Gopal Agarwal (DIN: 02771818), was appointed as Additional Director of your Company w.e.f. 23rd July, 2018 and hold office as Additional Directors upto the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. The Board of Directors recommended the regularization of appointment of Mr. Vishnu Gopal Agarwal as Director of the Company at the ensuing Annual General Meeting of the Company.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Sanjeev Sancheti (DIN: 02264129), Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board, therefore, recommends the re-appointment of Mr. Sanjeev Sancheti, as Director of your Company.

Srei Asset Finance Limited

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013 (the Act) read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company and every other Public Company having a paid-up share capital of ten crore rupees or more shall have whole-time KMPs namely (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director; and (ii) Chief Financial Officer. Further, every company having paid-up share capital of five crores rupees or more shall have a whole-time Company Secretary. Your Company is not required to appoint any whole-time KMPs as the paid-up share capital of the Company is less than the limit as prescribed above.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company's business operations and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed/ noted in the subsequent Board meeting.

During the Financial Year 2018-19, six meetings of the Board of Directors of the Company were held on 19th April, 2018, 23rd July, 2018, 10th October, 2018, 4th January, 2019, 21st January, 2019 and 11th February, 2019.

PARTICULARS OF EMPLOYEES

There was no employee in the Company during the financial year 2018-19, so the disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In the Financial Year 2018-19, the Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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.

EXTRACT OF THE ANNUAL RETURN

The extract of annual return as on the financial year ended March 31, 2019 in Form No. MGT-9 is annexed and form part of this Board Report.

SREI

Srei Asset Finance Limited

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to policies and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorised use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of.reliable financial information.

RISK MANAGEMNET

The Company has proper procedures in place for development and implementation of a risk management. A risk register is prepared based on identification of those events that expose the organization to uncertainty. Mitigation and follow up plans are discussed with the senior management and included in the risk register, and updated from time to time.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2018-19, no significant and material orders has been passed by Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Since there was no employee in the Company during the financial year 2018-19, so the disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, is not applicable to the Company.

SREI

Srei Asset Finance Limited

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA), vide its notification dated 16th February, 2015, notified Indian Accounting Standard (Ind AS) applicable to certain Class of Companies. Ind AS has replaced has the Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Company has adopted Ind AS with effect from 01st April, 2018 and accordingly the Financial Statements of the Company along with the comparative has been prepared in accordance with the recognition and measurement principle stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder.

The Reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Note 15 in the notes to the Financial Statement.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was Rs.10,00,000/- divided into 1,00,000 Equity Share of Rs.10/- each. During the year under review, the Company has not issued any shares.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act) read with relevant Rules made thereunder, your Directors confirm that:

(i) in the preparation of the annual accounts for the period ended on 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates 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 period and of the loss of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the period ended on 31st March, 2019 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Messrs. G. P. Agrawal & Co., Chartered Accountants, Kolkata, having ICAI Registration No. 302082E allotted by the Institute of Chartered Accountants of India (ICAI) was appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 31st July, 2015 for a term of 5 (five) years who shall hold the office until the conclusion of the Sixth Annual General Meeting of the Company.

As per the Companies (Amendment) Act, 2017, effective from 7th May, 2017, provision relating to ratification of appointment of Auditor at every annual general meeting has been dispensed with. Therefore, provision relating to appointment of auditor shall be given once in 5 years.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

ACKNOWLEDGEMENT

Your Directors express their gratitude for the continued co-operation and support received from its stakeholders, Bankers and various regulatory and Government authorities.

On behalf of the Board of Directors

	Sd/-	Sd/-
Place : Kolkata	**Sanjeev Sancheti**	**Vishnu Gopal Agarwal**
Dated : 17.04.2019	**Director**	**Director**
	DIN: 02264129	**DIN: 02771818**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	U65999WB2014PLC202301
ii)	Registration Date	30-06-2014
iii)	Name of the Company	SREI Asset Finance Limited (formerly SREI Asset Reconstruction Private Limited)
iv)	Category / Sub-Category of the Company	Company limited by shares
v)	Address of the Registered office and contact details	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046
vi)	Whether listed company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium , Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad Telangana - 500 032 Contact- (040) 67162222, email - venu.sp@karvy.com

II. Principal business activities of the Company

Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Asset Finance	649	Nil

III. Particulars of holding, subsidiary and associate Companies

S. N0	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Srei Infrastructure Finance Limited, Vishwakarma' 86C, Topsia Road (S) Kolkata – 700 046	L29219WB1985PLC055352	Holding	100	2(46) of Companies Act, 2013

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a) Individual/HUF	-	1	1	0.001	-	6	6	0.006	0.005
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	99,999	99,999	99.99	-	99,994	99,994	99.99	(0.005)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	100,000	100,000	100	-	100,000	100,000	100	-
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	**100,000**	**100,000**	**100**	-	**100,000**	**100,000**	**100**	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others	-	-	-	-	-	-	-	-	-

(specify)									
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-**Institutions**	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**100,000**	**100,000**	**100**	-	**100,000**	**100,000**	**100**	-

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	Srei Infrastructure Finance Limited	99,999	99.99	-	99,994	99.99	-	(0.005)
2	Mr. Shashi Bhushan Tiwari (Beneficial Owner being Srei	1	0.001	-	1	0.001	-	-

	Infrastructure Finance Limited)							
3	Mr. Hemant Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	-	-	-	1	0.001	-	0.001
4	Mr. Sunil Kanoria (Beneficial Owner being Srei Infrastructure Finance Limited)	-	-	-	1	0.001	-	0.001
5	Mr. Sandeep Kumar Lakhotia (Beneficial Owner being Srei Infrastructure Finance Limited)	-	-	-	1	0.001	-	0.001
6	Mr. Sanjeev Sancheti (Beneficial Owner being Srei Infrastructure Finance Limited)	-	-	-	1	0.001	-	0.001
7	Mr. Ganesh Prasad Bagree (Beneficial Owner being Srei Infrastructure Finance Limited)	-	-	-	1	0.001	-	0.001
	Total	**100,000**	**100**	-	**100,000**	**100**	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	**Date**	**Shareholding at the beginning of the year (As on 01.04.2018)**		**Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)**	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Srei Infrastructure Finance Limited					
At the beginning of the year	01.04.2018	99,999	99.99	99,999	99.99
Decrease during the year (Transfer to nominee shareholders	21.01.2019	(5)	-	99,994	99.99
At the end of the year	31.03.2019	-	-	99,994	99.99

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
1	**For Each of the Top 10 Shareholders**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
2	At the beginning of the year	-	-	-	-
3	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):	-	-	-	-
4	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
1	**For Each of the Directors and KMP**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	At the beginning of the year	-	-	-	-
3	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/ sweat equity etc):	-	-	-	-
4	At the End of the year	-	-	-	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	-	-	-	-

Net Change	-	-	-	-
Indebtedness at the end of the financial year (31.03.2019)	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total amount
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
		Mr. Manoj Kumar Beriwala	Mr. Sanjeev Sancheti	
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-
	Total (1)	-	-	-
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration	-	-	-

	Overall Ceiling as per the Act	3% of the net profit

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. no.	**Particulars of Remuneration**	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. Penalties / punishment/ compounding of offences

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Director					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Place : Kolkata
Dated : 17.04.2019

Sd/-
Sanjeev Sancheti
Director
DIN: 02264129

Sd/-
Vishnu Gopal Agarwal
Director
DIN: 02771818

Independent Auditor's Report

To the Members of
Srei Asset Finance Limited
(Formerly known as Srei Asset Reconstruction Private Limited)

Report on the Audit of Financial Statements

Opinion
We have audited the accompanying financial statements of Srei Asset Finance Limited (formerly known as Srei Asset Reconstruction Limited) ("The Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies

To the Members of
Srei Asset Finance Limited
(Formerly known as Srei Asset Reconstruction Private Limited)

(Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.

To the Members of
Srei Asset Finance Limited
(Formerly known as Srei Asset Reconstruction Private Limited)

• 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 41 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.
As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

a. 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.

b. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

To the Members of
Srei Asset Finance Limited
(Formerly known as Srei Asset Reconstruction Private Limited)

c. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

f. 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 does not have any pending litigations which would impact its financial position.
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-
(CA. Rakesh Kumar Singh)
Membership No. 066421
Partner

Place of Signature: Kolkata
Dated: the 17th day of April, 2019

To the Members of
Srei Asset Finance Limited
(Formerly known as Srei Asset Reconstruction Private Limited)

"ANNEXURE A" TO THE AUDITOR'S REPORT

Statement referred to in our report of even date to the members of Srei Asset Finance Limited (formerly known as Srei Asset Reconstruction Limited) on the financial statements for the year ended 31st March, 2019.

(i) As the Company has no fixed assets, provisions of clause (i)(a),(b) & (c) of para 3 of the said order is not applicable to the Company.

(ii) As the Company has no inventory, provisions of clause (ii) of para 3 of the said order is not applicable to the Company.

(iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (d) of paragraph 3 of the said order are not applicable to the Company.

(iv) The Company has neither given any loan, guarantee or security nor made any investment under the provisions of section 185 and 186 of the Act. Therefore, clause (iv) of paragraph 3 of the said order is not applicable to the Company.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Companies Act 2013 are not applicable to the Company.

(vii) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Goods and Service tax or cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2019 for a period of more than six months from the date they became payable.

(viii) On the basis of our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution. The Company has not taken any loans or borrowing from bank or Government. The Company has not issued any debentures.

(ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has not raised any money by way of initial public

To the Members of
Srei Asset Finance Limited
(Formerly known as Srei Asset Reconstruction Private Limited)

offer or further public offer (including debt instruments) during the year. The money raised by way of term loans have been applied for the purpose for which the loans were obtained.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

(xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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 the financial statements as required by the applicable accounting standards.

(xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.

(xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company.

(xvi) On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-
(CA. Rakesh Kumar Singh)
Membership No. 66421
Partner
Place of Signature: Kolkata
Dated: 17th day of April, 2019

To the Members of
Srei Asset Finance Limited
(Formerly known as Srei Asset Reconstruction Private Limited)

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Srei Asset Finance DEVELOPMENT LIMITED (Formerly known as Srei Asset Reconstruction Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Srei Asset Finance Limited (formerly known as Srei Asset Reconstruction Limited) ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 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.

To the Members of
Srei Asset Finance Limited
(Formerly known as Srei Asset Reconstruction Private Limited)

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting 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.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. -302082E

Sd/-

(CA. Rakesh Kumar Singh)
Membership No. 66421
Partner

Place of Signature: Kolkata
Dated: 17th day of April, 2019

SREI ASSET FINANCE LIMITED
(Formerly Srei Asset Reconstruction Private Limited)
CIN: U65999WB2014PLC202301

Balance Sheet as at March 31, 2019

(Rs. in Lakh)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	**ASSETS**				
	Non-Current Assets				
	(a) Other Non Current Tax Assets (Net)	2	0.04	0.03	0.03
	Current Assets				
	(a) Financial Assets				
	(i) Trade Receivables	3	1.25	-	-
	(ii) Cash and Cash Equivalents	4	0.50	0.27	0.49
	(iii) Other Bank Balance	5	8.50	9.93	9.32
	(iv) Other Financial Assets	6	0.02	0.30	0.30
	(b) Other Current Assets	7	0.67	-	-
	Total Assets		**10.98**	**10.53**	**10.14**
II.	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a) Equity Share capital	8	10.00	10.00	10.00
	(b) Other Equity	9	(0.02)	(0.06)	(0.17)
	LIABILITIES				
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Trade Payable	10			
	- Due to Micro and Small Enterprises		-	-	-
	- Due to Others		-	-	-
	(ii) Other Financial Liabilities	11	0.90	0.59	0.31
	(b) Other Current Liabilities	12	0.10	-	-
	Total Equity and Liabilities		**10.98**	**10.53**	**10.14**

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421

Place : Kolkata
Date: 17.04.2019

On behalf of the Board of Directors

Sd/-
Director
DIN No.

Sd/-
Director
DIN No.

SREI ASSET FINANCE LIMITED
(Formerly Srei Asset Reconstruction Private Limited)
CIN: U65999WB2014PLC202301

Statement of Profit and Loss for the year ended March 31, 2019

(Rs. in Lakh)

	Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
(I)	Revenue from operations	13	1.25	-
(II)	Other Income	14	0.62	0.69
(III)	**Total Income**		1.87	0.69
(IV)	**Expenses**			
	(a) Other Expenses	15	1.81	0.54
	Total Expenses		1.81	0.54
(V)	**Profit Before Exceptional Items and Tax (III-IV)**		0.06	0.15
(VI)	Exceptional Items		-	-
(VII)	**Profit Before Tax (V-VI)**		0.06	0.15
(VIII)	**Tax Expense**			
	(a) Current Tax	2	0.02	0.04
	(b) Deferred Tax		-	-
	Total Tax Expense		0.02	0.04
(IX)	**Profit For The Year (VII-VIII)**		0.04	0.11
(X)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other Comprehensive Income (X)		-	-
(XI)	**Total Comprehensive Income for the period (IX+X)**		0.04	0.11
(XII)	**Earnings per equity share (Face value of Rs.10 each)**	20		
	Basic (Rs.)		0.04	0.11
	Diluted (Rs.)		0.04	0.11

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421

Place : Kolkata
Date: 17.04.2019

On behalf of the Board of Directors

Sd/-
Director
DIN No.

Sd/-
Director
DIN No.

SREI ASSET FINANCE LIMITED
(Formerly Srei Asset Reconstruction Private Limited)
CIN: U65999WB2014PLC202301

Statement of Cash Flows for the year ended March 31, 2019

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flows from Operating Activities		
Profit Before Tax	0.06	0.15
Adjustment for :		
Interest Income	(0.62)	(0.69)
Operating profit before working capital changes	**(0.56)**	**(0.54)**
Changes in working capital :		
Increase/(Decrease) in Trade Receivables, Advances and Other Assets	(1.92)	-
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	0.40	0.27
Cash generated/(used) in operations	**(2.08)**	**(0.27)**
Income Tax Paid (Net)	(0.03)	(0.03)
Net Cash used in Operating Activities	**(2.11)**	**(0.30)**
B. Cash flows from Investing Activities		
(Increase)/Decrease in Other Bank Balances	1.43	(0.61)
Interest Received	0.91	0.69
Net Cash used in Investing Activities	**2.34**	**0.08**
C. Cash Flows from Financing Activities		
Net Cash generated from Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	**0.23**	(0.22)
Cash & Cash Equivalents at the beginning of the year	**0.27**	**0.49**
Cash and Cash Equivalents at the end of the period (refer note 8)	**0.50**	**0.27**

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

2) Components of Cash and Cash Equivalents:

Particulars	As at March 31, 2019	As at March 31, 2018
In Current Account	0.50	0.27
	0.50	**0.27**

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421

Place : Kolkata
Date: 17.04.2019

On behalf of the Board of Directors

Sd/-
Director
DIN No. 02771818

Sd/-
Director
DIN No.

SREI ASSET FINANCE LIMITED
(Formerly Srei Asset Reconstruction Private Limited)
CIN: U65999WB2014PLC202301

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

a. Equity Share Capital

(Rs. in Lakh)

Particulars	As at April 1, 2017	Changes during the year 2017-18	As at March 31, 2018	Changes during the year 2018-19	As at March 31, 2019
Equity Share Capital	10.00	-	10.00	-	10.00

b. Other Equity

(Rs. in Lakh)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at the April 1, 2017	(0.17)	(0.17)
Profit 31st March 2018	0.11	0.11
Balance as at March 31, 2018	(0.06)	(0.06)
Balance as at the April 1, 2018	(0.06)	(0.06)
Profit for the year	0.04	0.04
Balance as at March 31, 2019	(0.02)	(0.02)

Retained Earnings:
This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No.302082E

Sd/-
(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421

Place : Kolkata
Date: 17.04.2019

On behalf of the Board of Directors

Sd/-
Director
DIN No.

Sd/-
Director
DIN No.

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Asset Finance Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

The Company is engaged in rendering Consultancy Services.

(B) Recent Pronouncement

The Company has applied the following standards and amendments for the first time for the year ended 31st March, 2019:

- Ind AS 115 – Revenue from Contracts with Customers.
- Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 – Income Taxes.

The application of Ind AS 115 and other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective
Ind AS 116-

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

.Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(C) Statement of Compliance
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Up to the year ended 31st March, 2018, the Company prepared its financial statements in accordance with the requirements of the previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. Previous GAAP figures in the Financial Statements have now been restated in compliance to Ind AS.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017. Details of the first time exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 16.

(D) Significant Accounting Policies

1.1. Basis of Preparation
The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.12 Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Investments in subsidiaries, associates and joint ventures

Investment in associates and joint ventures are accounted for at cost. Cost is arrived at on weighted average method for the purpose of valuation of investments.

Equity Investment in subsidiaries are carried at cost less accumulated impairment, if any.
When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.4. Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers.

Income from Consultancy is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.5. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6. Foreign Currency Transactions

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

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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.

Financial Assets - foreign Exchange Gains and Losses:
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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:
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. Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in other comprehensive income

1.7. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

Initial Measurement of Financial Instruments:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

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

Investment in equity instruments that are not held for trading are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows.

Consequently, ECL subsumes both the amount and timing of payments – a credit loss would arise even when a receivable was realised in full but later than when contractually due.

1.8. Taxes on Income

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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.9. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.10. Provisions

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

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

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets

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

1.11. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Consultancy Services.

1.12. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Fair value measurements and valuation processes:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

ii) **Claims, Provisions and Contingent Liabilities:**

Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

iii **Impairment of Financial Assets:**

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.13. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.14. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2 Other Non Current Tax Assets (Net)

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax & TDS receivable	0.06	0.07	0.07
Less : Provision for income tax	0.02	0.04	0.04
Total	**0.04**	0.03	0.03

i Income Tax Expense/ (Benefits)

The Company is subject to income tax in India on the basis of standalone financial statements. As per the Income Tax Act, the Company is liable to pay income tax which is the higher of regular income tax payable and the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT).

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

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	0.06	0.15
Statutory Income Tax Rate	26.00%	26.00%
Expected income tax expense at statutory income tax rate	0.02	0.04
(i) Income exempt from tax/Items not deductible	-	-
Total Tax Expense recognised in profit and loss account	**0.02**	**0.04**

3 Trade Receivables

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Unsecured considered good	1.25	-	-
Less: Allowance for expected credit loss	-	-	-
	1.25	-	-
(b) Significant increase in credit risk	-	-	-
Less: Allowance forexpected credit loss	-	-	-
	-	-	-
(c) Credit impaired	-	-	-
Less: Allowance for expected credit loss	-	-	-
	-	-	-
Total (a+b+c)	1.25	-	-

4 Cash and Cash Equivalents

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with Banks - in Current Account	0.50	0.27	0.49
Total	**0.50**	**0.27**	**0.49**

5 Other Bank Balance

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with Banks - in Deposit Accounts	8.50	9.93	9.32
Total	**8.50**	**9.93**	**9.32**

6 Other Financial Assets

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest Accrued but not due on Fixed Deposits	0.02	0.30	0.30
Total	**0.02**	**0.30**	**0.30**

7 Other Current Assets

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	0.10	-	-
Advances to suppliers	0.57	-	-
Total	**0.67**	-	-

8 Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs. in Lakh	Number	Rs. in Lakh	Number	Rs. in Lakh
Authorised						
Equity Shares of Rs. 10 each	3,000,000	300.00	3,000,000	300.00	3,000,000	300.00
	3,000,000	300.00	3,000,000	300.00	3,000,000	300.00
Issued, Subscribed & Paid up						
Equity Shares of Rs. 10 each fully paid up	100,000	10.00	100,000	10.00	100,000	10.00
Total	100,000	10.00	100,000	10.00	100,000	10.00

8.1 **The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

8.2 Equity shares issued/bought back during the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Rs. in Lakh	Number	Rs. in Lakh	Number	Rs. in Lakh
Shares outstanding at the beginning of the year	100,000	10.00	100,000	10.00	100,000	10.00
Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	100,000	10.00	100,000	10.00	100,000	10.00

8.3 Details of Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates :-

Name of Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited	100,000	100.00	100,000	100.00	100,000	100.00

8.4 Details of shareholder holding more than 5% shares :-

Name of Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited	100,000	100.00	100,000	100.00	100,000	100.00

9 Other Equity (Rs. In Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Retained Earnings			
Balance as per last accounts	(0.06)	(0.17)	(0.17)
Net Profit/(Loss) for the Year	0.04	0.11	-
Closing Balance	(0.02)	(0.06)	(0.17)

10 Trade Payables

(A) Due to Micro and Small Enterprises

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
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	-	-	-

(B) Due to Others

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For Services	-	-	-
Total	-	-	-

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

11 Other Financial Liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liabilities For Expenses	0.90	0.59	0.31
Total	**0.90**	**0.59**	**0.31**

12 Other Current Liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory liabilities	0.10	-	-
Total	0.10	-	-

13 Revenue from operations

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy Fee	1.25	-
Total	1.25	-

14 Other Income

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income comprises interest from:		
- Deposits with banks etc. - carried at amortised cost	0.62	0.69
Total	0.62	0.69

15 Other Expenses

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rates & Taxes Others	0.12	-
Filing Fees	0.06	0.04
Legal & Professional Fees	0.49	0.26
Auditor's fees and expenses		
-Audit Fee	0.50	0.18
-Other Services	0.64	0.06
Total	1.81	0.54

16 First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,
b. not recognising items of assets or liabilities which are not permitted by Ind AS,
c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

Reconciliation of Equity as previously reported under Previous GAAP to IND AS:

Particulars	Note	As at 31.03.2018	As at 01.04.2017
Total Equity as reported under previous GAAP		9.94	9.83
Adjustments:			
Impact of Ind AS		-	-
Equity as reported under Ind AS		9.94	9.83

Reconciliation of Total Comprehensive Income for the year ended 31 March 2018.

Particulars	Note	For the year ended 31.03.2018
Profit after Tax as reported under Previous GAAP		0.11
Total Comprehensive Income as reported under Ind AS		0.11

17 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are presently met through cash generated from operations.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

18 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 1 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in Lakh)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
i) Trade Receivables	1.25	1.25	-	-	-	-
ii) Cash and cash equivalents	0.50	0.50	0.27	0.27	0.49	0.49
iii) Other bank balances	8.50	8.50	9.93	9.93	9.32	9.32
iv) Other financial assets	0.02	0.02	0.30	0.30	0.30	0.30
Total financial assets	10.27	10.27	10.50	10.50	10.11	10.11
Financial liabilities						
a) Measured at amortised cost						
i) Trade Payables	-	-	-	-	-	-
ii) Other financial liabilities	0.90	0.90	0.59	0.59	0.31	0.31
Total financial liabilities	0.90	0.90	0.59	0.59	0.31	0.31

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.

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 include: cash, cash equivalents, other bank balances, Trade and Other receivables.

Other financial liabilities measured at amortised cost

For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.
Such instruments include: Trade & Other payables.

18 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

B) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on policies and procedures issued by appropriate authorities, internal control systems, process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

i) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date

(Rs. In Lakh)

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
A: Financial assets						
(i) Trade Receivables	1.25	-	-	-	-	-
(ii) Cash and Cash Equivalents	0.50	-	0.27	-	0.49	-
(iii) Other Bank Balance	8.50	-	9.93	-	9.32	-
(iv) Other Financial Assets	0.02	-	0.30	-	0.30	-
Total	**10.27**	-	**10.50**	-	**10.11**	-
B: Financial liabilities						
i) Trade payables	-	-	-	-	-	-
ii) Other financial liabilities	0.90	-	0.59	-	0.31	-
Total	**0.90**	-	**0.59**	-	**0.31**	-

ii) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

SREI ASSET FINANCE LIMITED
(Formerly Srei Asset Reconstruction Private Limited)
Notes to the financial statement for the year ended March 31, 2019

19 Related Party Disclosures

a) Related Parties list

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Holding Company**	
2	Srei Infrastructure Finance Limited (SIFL)	India
C	**Fellow Subsidiaries:**	India
3	Srei Capital Markets Limited	India
4	Srei Alternative Investment Managers Limited	India
5	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
6	Srei Insurance Broking Private Limited	India
7	Srei Mutual Fund Trust Private Limited	India
8	Srei Mutual Fund Asset Management Private Limited	India
9	Controlla Electrotech Private Limited	India
10	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
11	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
12	Quippo Oil & Gas Infrastructure Limited	India
13	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited)	India
14	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
15	Srei Equipment Finance Limited	India
16	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
D	**Fellow Associates**	
17	Sahaj e-Village Limited	India
18	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
19	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
20	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
21	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
E	**Others**	
22	Srei Mutual Fund Trust	India
23	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
F	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
24	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
25	Mr.Manoj Kumar Beriwala	Non Executive Director
26	Mr.Sanjeev Sancheti	Non Executive Director
27	Mr.Vishnu Gopal Agarwal	Non Executive Director
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
28	Mr. Hemant Kanoria	Chairman & Managing Director - Holding Company
29	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
30	Mr. Malay Mukherjee	Independent Director - Holding Company
31	Mr. S.Rajagopal	Independent Director - Holding Company
32	Mr. S.Chatterjee	Independent Director - Holding Company
33	Dr. Punita Kumar Sinha	Independent Director - Holding Company
34	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
35	Dr. Tamali Sengupta (From 01.04.2017 to 26.10.2017 again appointed on 04.02.2019 onwards)	Additional Director (Category – Independent) - Holding Company
36	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY – Non Executive Non Independent)- Holding Company
37	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
38	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
39	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
40	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
41	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
42	Mr. Sanjeev Sancheti	Chief Strategy Officer - Holding Company
43	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
44	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
45	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Chief Internal Auditor - Holding Company

SREI ASSET FINANCE LIMITED
(Formerly Srei Asset Reconstruction Private Limited)
Notes to the financial statement for the year ended March 31, 2019

19 Related Party Disclosures

a) Related Parties list

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
2	Srei Factors Private Limited (w.e.f. 02.01.2019)	India
C	**Holding Company**	
3	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries:**	India
4	Srei Capital Markets Limited	India
5	Srei Alternative Investment Managers Limited	India
6	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary of SIFL upto 11.03.2018 and became its Subsidiary w.e.f. 12.03.2018)	India
7	Srei Insurance Broking Private Limited	India
8	Srei Mutual Fund Trust Private Limited	India
9	Srei Mutual Fund Asset Management Private Limited	India
10	Controlla Electrotech Private Limited	India
11	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
12	Cyberabad Trustee Company Private Ltd. (Subsidiary of Srei Alternative Investment Managers Ltd.)	India
13	Quippo Oil & Gas Infrastructure Limited (ceased to be a fellow subsidiary w.e.f. 31.03.2019)	India
14	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to a fellow sub-subsidiary w.e.f. 31.03.2019)	India
15	Quippo Energy Limited (Formerly Quippo Energy Private Limited) (ceases to be a fellow subsidiary w.e.f.28.03.2019)	India
16	Srei Equipment Finance Limited	India
17	Srei Infrastructure Advisors Limited (ceased to be fellow Subsidiary w.e.f 12.03.2018)	India
E	**Fellow Associates**	
18	Sahaj e-Village Limited	India
19	Attivo Economic Zone (Mumbai) Private Limited (ceases to be fellow associate w.e.f.29.09.2018)	India
20	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
21	AO International Infrastructure Services, Russia (Formerly AO Srei Leasing Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
22	Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
23	Rural Innovation Labs Pvt Limited (ceases to be subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
F	**Others**	
24	Srei Mutual Fund Trust	India
25	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
G	**Enterprise over which relative of Holding Company's KMP has significant influence:**	
26	India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	India
H	**Key Management Personnel (KMP)/Directors:**	**Designation**
27	Mr.Manoj Kumar Beriwala	Non Executive Director
28	Mr.Sanjeev Sancheti	Non Executive Director
29	Mr.Vishnu Gopal Agarwal	Non Executive Director
I	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
30	Mr. Hemant Kanoria	Chairman - Holding Company
31	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director) - Holding Company
32	Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director - Holding Company
33	Mr. S.Rajagopal	Independent Director - Holding Company
34	Mr. S.Chatterjee	Independent Director - Holding Company
35	Dr. Punita Kumar Sinha	Independent Director - Holding Company
36	Mr. Ram Krishna Agarwal	Independent Director - Holding Company
37	Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category – Independent) - Holding Company
38	Mr.Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (CATEGORY – Non Executive Non Independent)- Holding Company
39	Mr. Kishore Kumar Lodha (Upto 15.01.2018)	Chief Financial Officer - Holding Company
40	Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Finance Officer - Holding Company
41	Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer - Holding Company
42	Mr. Sameer Sawhney (Upto 05.09.2018)	Chief Executive Officer - Holding Company
43	Mr. Sandeep Lakhotia	Company Secretary - Holding Company
44	Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer - Holding Company
45	Mr. Chandrasekhar Mukherjee: (between 28.04.2018 to 04.02.2019)	Group Chief People Officer - Holding Company
46	Mr. Samir Kumar Kejriwal: (between 28.04.2018 to 04.02.2019)	Senior Vice President -Holding Company
47	Mr. Debashis Ghosh: (between 28.04.2018 to 04.02.2019)	Internal Auditor - Holding Company
48	Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director - Holding Company
49	Mr. T.C.A. Ranganathan (Upto 07.12.2017)	Independent Director - Holding Company

Srei Equipment Finance Limited

DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors are pleased to present the Thirteenth Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2019. The summarised financial performance of your Company is as follows:

FINANCIAL SUMMARY & STATE OF COMPANY AFFAIRS

(Rupees in Lacs)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Total Income	436,684	344,021
Total expenditure (including depreciation and other expenses etc.)	391,011	299,796
Profit Before Tax	45,673	44,225
Net Tax expense	15,035	14,639
Profit After Tax	30,638	29,586
Other Comprehensive Income	3,667	3,531
Total Comprehensive Income	34,305	33,117
Profit brought forward from earlier year	40,420	18,575
Profit available for Appropriation	71,051	48,689
Paid up Equity Share Capital	5,966	5,966
Amount transferred to Reserves	8,203	8,269
Net Worth	284,870	255,156

Note: The above figures are extracted from the financial statements for the financial year ended on March 31, 2019

OPERATIONAL REVIEW

Your Company continues to maintain its market leadership in the infrastructure equipment financing business. Some of the key highlights of your Company's performance during the year under review are:

- The gross profit (before depreciation, amortisation, impairment, Net loss on derecognition of financial instruments under amortised cost category, Impairment on financial instruments, Loss/write-off on assets held for sale and net tax expenses) for the year was Rs. 175,101 Lacs as against Rs. 136,331 Lacs last year.

- Profit before taxation for the year was Rs. 45,673 Lacs as against Rs. 44,225 Lacs in the last year.

- Net profit after taxation for the year was Rs. 30,638 Lacs as against Rs. 29,586 Lacs in the last year.

- The total asset under management was Rs. 32,226 Crores as against Rs. 29,585 Crores last year.

The Capital Adequacy Ratio (CAR) of your Company stands at 16.08 per cent as on March 31, 2019, well above the regulatory minimum level of 15 percent prescribed by the Reserve Bank of India (RBI) for systemically important non-deposit taking NBFCs (NBFCs-ND-SI) and of this, the Tier I CAR was 11.72 per cent.

The Financial Statements of your Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (IND AS) and the relevant provisions of the Companies Act, 2013 and rules made therein, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses audited / unaudited financial results on a half yearly basis and audited financial results on an annual basis.

Your Company has complied with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair practices, Anti Money Laundering and Know Your Customer (KYC) guidelines.

DIVIDEND

In order to conserve the resources of your Company, the Board of Directors of your Company did not recommend any dividend for the year ended March 31, 2019.

TRANSFER TO RESERVES

The Company proposes to transfer an amount of Rs. 19.62 Crores to the Debt redemption reserve, Rs. 61.28 Crores to the Special reserve and Rs. 1.13 Crores to the Income Tax Special reserve.

PUBLIC DEPOSITS

During the year under review, your Company, being a Non deposit taking Non-Banking Financial Institution (NBFI), has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

DETAILS OF SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANY

Your Company does not have any subsidiary/associates/joint venture company as on March 31, 2019.

RESERVE BANK OF INDIA (RBI) CLASSIFICATION

The Reserve Bank of India (RBI) has classified your Company as an 'Asset Finance Company' within the overall classification of 'Non Banking Financial Institution'. However, pursuant to RBI circular on Harmonisation of different categories of NBFCs dated February 22, 2019, the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) have been merged into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Accordingly, your Company is presently classified as an 'NBFC - Investment and Credit Company (NBFC-ICC)'. The revised certificate from RBI is awaited.

SHARE CAPITAL

The Authorised Share Capital of your Company is Rs. 10,00,00,00,000/- (Rupees One Thousand Crores Only) divided into 50,00,00,000 Equity Shares of Rs. 10/- each and 5,00,00,000 Preference Shares of Rs. 100/- each and the paid-up Equity Share capital of your Company is Rs. 59.66 Crore (Rupees Fifty Nine Crore Sixty Six Lacs only). Presently, the entire paid-up Equity share capital of your Company is held by Srei Infrastructure Finance Limited alongwith their 6 (Six) nominees. There was no change in the Authorised and Paid-up Equity Share Capital of your Company during the year under review.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

Your Company had filed a Draft Red Herring Prospectus (DRHP) dated November 28, 2017 with the Securities and Exchange Board of India (SEBI) and the Stock Exchanges for an Initial Public Offering of equity shares of your Company comprising a fresh issue aggregating to Rs.11,000 million and an offer for sale of upto 4,386,765 equity shares by Srei Infrastructure Finance Limited, Promoter of your Company. In principle approval for listing has been received from BSE Limited and National Stock Exchange of India Limited (NSE) on 15th December, 2017 and 26th June, 2018 respectively. Further, approval of the Draft Red Herring Prospectus (DRHP) was received from SEBI on 7th September, 2018 and is valid for a period of 12 (twelve) months from the date of the approval letter.

Further, the Board of Directors of your Company at its meeting held on January 21, 2019 approved a composite Scheme of arrangement and amalgamation amongst the Company, Srei Infrastructure Finance Limited ("Srei Infra") (holding company), Srei Asset Finance Limited ("Srei Asset") (fellow subsidiary) and respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, which inert alia contemplates the following-

(i) The demerger of the '*Lease Business*' of your Company (the "Demerged Undertaking 1") to Srei Asset pursuant to which Srei Asset will issue shares to the shareholder of your Company, i.e. SIFL ("Demerger 1"). There will be no change in the shareholding pattern of Company. The non-convertible debentures issued by your Company will stand cancelled and deemed to have been redeemed and the holders of such non-convertible debentures shall be issued new non-convertible debentures by Srei Asset on the same terms and conditions.

(ii) On completion of Demerger 1, the remaining business undertakings of your Company (the "Amalgamating Undertaking") will amalgamate with and into SIFL ("Amalgamation"). This being an amalgamation of a wholly owned subsidiary into its parent company, there will be no change in the shareholding pattern. On the transfer of the Amalgamating Undertaking becoming effective, your Company shall stand dissolved without being wound-up.

(iii) On completion of the Amalgamation, the '*Lease Business*', 'Rental Business' and '*Equipment Finance Business*' of SIFL (the "Demerged Undertaking 2") will demerge into Srei Asset ("Demerger 2"), pursuant to which Srei Asset will issue shares to the shareholders of SIFL. Pursuant to this, promoter and public shareholders of Srei Infra shall hold shares in Srei Asset in their existing proportionate shareholding and the existing shareholding of SIFL shall be diluted to 22 per cent.

The share exchange ratio for the Scheme was approved to be –

- in case of Demerger 1, 10 (ten) fully paid up equity shares of Srei Asset of Rs. 10 each shall be issued for every 21 (twenty one) fully paid up equity shares of Rs. 10 each held in your Company; and
- in case of Demerger 2, 1 (one) fully paid up equity share of Srei Asset of Rs.10 each shall be issued for every 5 (five) fully paid up equity shares of Rs.10 each held in SIFL. Intimation in regard to the Scheme has been made to the Reserve Bank of India (RBI) by your Company.

SIFL has filed an application under Regulation 37 of SEBI Listing Regulations, 2015 seeking no objection / observation letters from BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges"). On receipt of no objection letters from the Stock Exchanges, SIFL shall file requisite application with the National Company Law Tribunal ("NCLT") to seek its directions for convening meetings of the Shareholders and Creditors of SIFL. Subsequent to the receipt of such approvals, SIFL shall file a petition with the NCLT for its final approval to the Scheme.

Pursuant to the Scheme, the non-convertible debentures issued by your Company shall be transferred to Srei Asset. Accordingly, the non-convertible debentures issued by your Company will stand cancelled and deemed to have been redeemed and the holders of such non-convertible debentures shall be issued new non-convertible debentures by Srei Asset on the same terms and conditions, thereby not affecting the payment and redemption of such non-convertible debt securities.

PUBLIC ISSUE OF NON-CONVERTIBLE DEBENTURES (NCDs)

During the year under review, your Company made two public issues of Secured and/or Unsecured Subordinated Redeemable Non-Convertible Debentures (the "Debentures") of face value of Rs. 1,000 each, eligible for inclusion as Tier II Capital, as per the details given hereunder:

Date of opening of Issue	Base Issue Size (Rs. in Crores)	Total Issue Size including Green Shoe Option (Rs. in Crores)	Maturity Period	Allotment Date	Amount Allotted (Rs. in Crores)
25.04.2014 *	500	Up to 1000	400 days/3 years/ 5 years / 10 years	25.05.2018	509.81
19.12.2018 **	150	Up to 300	400 days/3 years/5 years/10 Years	24.01.2019	184.99

**Issue of Secured Debentures w.r.t. Prospectus dated April 16, 2018*
*** Issue of Secured and Unsecured Subordinated Debentures w.r.t. Prospectus dated December 11, 2018*

Debenture Trustee Agreement(s) for the aforesaid issues were duly executed with Axis Trustee Services Limited. The said Debentures are listed on Debt Segment of the BSE Limited (BSE). The entire proceeds have been utilised for the purpose of various financing activities, repayment of existing loans and other business operations including working capital requirements. Your Company has made all interest payments to debenture holders within the stipulated time.

The public issues of the said Debentures has not only facilitated diversification of your Company's sources for mobilising long term resources but has also provided the retail investors an opportunity to participate in India's infrastructure development and progress. The

Public Issue in the month of April, 2018 was subscribed by 1.02 times and public Issue in the month of December 2018, was subscribed by 1.23 times of the Base Issue respectively. Through these public issues launched in FY 2018-19, your Company has acquired more than 22,000 retail investors. As on March 31, 2019, your Company enjoys retail base of more than 58,000 investors.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

a. Global Outlook

According to the World Bank, global GDP is projected to grow at 2.9 per cent in 2019, lower than the 3 per cent growth achieved in 2018. World Bank expects global growth to slow down further to 2.8 per cent in 2020. The International Monetary Fund (IMF) global growth forecasts, although slightly better than that of World Bank, indicate a slowdown nonetheless. IMF expects global economy to grow by 3.3 per cent in 2019, which is the weakest since 2009, after an estimated growth of 3.6 per cent in 2018. IMF however predicts global growth to recover to 3.6 per cent in 2020. Global economic growth has been slowing down since the second quarter of 2018 and there are no immediate signs of a pick-up. Growing trade tensions have contributed largely to this global slowdown.

The US economy registered strong growth in 2018, riding on the stimulus provided in terms of tax cuts. However, the positive effects of that stimulus seem to be fading and the US economy can slow down in the second half of 2019. The protectionist stance of the world's biggest economy is causing trade friction. China, Europe, Japan, Mexico India, and many others stand affected. Some of the affected nations have already started retaliating by imposing higher tariffs on goods exported by US. This, if continued, will have wider ramifications across the entire global supply chain.

There has been a sharp downturn in growth in Europe as well. The 19-nation Euro Area is experiencing a contraction in domestic demand along with a steep drop in industrial production. Germany and France together account for almost half of the Euro Area economy. Germany is experiencing a protracted slump in manufacturing, while household spending in France has remained virtually stagnant. The other major economy, Italy, is in a recession. In the UK, the uncertainty over Brexit continues to linger, but the possibility of a "hard Brexit" seems to have been averted, with the European Union extending the deadline for UK's departure to 31st October, 2019.

Japan experienced impressive growth in 2017, but thereafter there has been a deceleration in consumer spending, investment and export throughout 2018. With no improvement in the various macroeconomic parameters, growth is likely to remain muted in 2019.

Several of the major emerging market and developing economies (EMDEs) like China, Russia, Brazil and South Africa have slowed down on account of subdued domestic and global demand. A new round of stimulus focussing on infrastructure creation is expected to revive growth in China. But inspite of the relative slowdown, it is the EMDEs which are expected to be the main drivers of global growth in 2019. According to World Bank forecasts, the EMDEs, after registering a 4.2 per cent growth rate in 2018, will clock another 4.2 per cent growth rate in 2019 and thereafter growth rate will strengthen to 4.5 per cent in 2020. Meanwhile, the advanced economies (AEs), after registering a growth of 2.2 per cent growth rate in 2018, are expected to decelerate to 2.0 per cent growth in 2019 and further slow down to 1.6 per cent in 2020.

While the international crude prices have continued to firm up during the year under review, this is unlikely to continue. A global slowdown will adversely impact international commodity prices, especially crude and industrial metals.

One positive development is the change in stance of the main central banks which had earlier started winding down the quantitative easing undertaken in the aftermath of the global financial crisis of 2008. The US Federal Reserve had started raising interest rates since 2015 which continued until last year, but its recent announcements indicate a switch to a more accommodative strategy. Bank of Japan is continuing with its asset purchase agenda and a negative interest rate policy. European Central Bank, after tapering its stimulus, has expressed its intent to keep interest rates low and, if situation demands, is even open to restart its bond purchase programme.

b. Indian Scenario

The Indian economy continues to be a bright spot in the world map. For one more year India has held on to its position of the fastest growing major economy in the world. According to Central Statistics Office (CSO), for 2018-19, India's GDP growth rate has been estimated to be 7.0 per cent, down from the 7.2 per cent achieved in 2017-18. According to IMF, India's GDP growth rate is expected to pick up to 7.3 per cent in 2019 and to 7.5 per cent in 2020. According to estimates by Asian Development Bank (ADB) and Reserve Bank of India (RBI), the Indian economy will grow at 7.2 per cent in 2019-20. However, it is worth noting that IMF, ADB, RBI and CSO have reduced their growth forecasts for India in the wake of recent developments. In the October-December quarter of 2018, Indian economy grew at 6.6 per cent, its slowest in last five quarters.

Several high frequency indicators are indicating a slowdown in the economy. In February, 2019, the industrial output growth slowed to a 20-month low of 0.1 per cent, mainly due to contraction in the manufacturing sector. During April-February 2018-19, the Index for Industrial Production (IIP) grew at 4 per cent as against 4.3 per cent in the same period of 2017-18. Capital goods output contracted by 8.8 per cent in February 2019 indicating a major slowdown in investment. Sales of commercial vehicles also contracted during February. Credit flow to micro, small and medium enterprises (MSMEs) remained tepid. While all these may indicate another slow quarterly GDP growth for January-March 2019, this slowdown may be temporary and can be attributed to the upcoming General Elections. Once there is clarity on the composition of the next government, investments can once again pick up.

During the year under review, the Indian economy overtook France to become the world's sixth largest economy. India also moved up to 77th position in the World Bank's 'Ease of Doing Business' survey, up by 53 places in the last two years. The India growth story has remained attractive to the global investor community. Inflow of foreign direct investment (FDI) has remained steady. After recording a total FDI (equity + re-invested earnings + other capital) inflow of USD 61 billion in 2017-18, India has managed to attract FDI worth USD 46.6 billion during April-December 2018. Another notable achievement for the economy during the year under review is the total exports (goods and services combined) surpassing the USD 500 billion mark for the first time. While India, like many other EMDEs, can get affected by global developments, the foreign exchange reserve of USD 415 billion provides adequate buffer.

The government has been on the forefront of stepping up investment for the infrastructure sector. Private sector participation in infrastructure investment is yet to pick up despite a number of initiatives taken by the government.

Considerable progress has been made on the roll-out of the Goods & Services Tax (GST). Though the GST regime is still evolving, it has been successful in expanding the tax base and in drawing erstwhile informal activity into the formal sector. With further rationalization of tax rates and expanding the coverage of GST to all sectors, entrepreneurship is likely to take off in a big way.

The jurisprudence in Insolvency and Bankruptcy Code (IBC) is still evolving, but it has ushered in a whole new credit culture in the country. The evolving and maturing of the IBC will address the 'twin balance sheet' problem more comprehensively. However, going forward, this must be followed up with structural reforms in the banking sector in order to improve the process of credit intermediation.

The domestic challenges are not insurmountable. The overall business environment today is much better than what it was during the last few years. The management of your Company is upbeat about India's prospects and is convinced that India will continue to surge ahead of its peers.

NBFCs IN INDIA

Over the years, NBFCs have played a key role in catering to the credit needs of the unbanked segment of the society in urban and rural areas. They have been instrumental in the growth and development of important sectors of the economy like Micro, Small and Medium Enterprises (MSMEs), infrastructure, transport and agriculture. Deep rooted knowledge and of their domain, thorough understanding of the local market dynamics, flexibility in operations based on the needs of the borrowers and ability to innovate within the regulatory framework, have enabled NBFCs to not only withstand the turbulent times but also show impressive growth over the years. The "personal touch" that NBFCs provide to the borrowers make them the preferred choice. The Financial Stability Report published by RBI dated December, 2018 presented an extremely impressive and healthy picture of NBFCs. As on 30th September, 2018, the key highlights of the are:

Description	Y-O -Y Growth (%)
Growth in aggregate balance sheet size	17.21
Net Profit	16.02
Growth in Land and Advances	16.30
Return on Assets	1.80
Return on Equity	4.40
Gross NPA	6.10
Capital Adequacy (CRAR)	21.00

The aggregate Balance Sheet size of the NBFC sector stood at Rs. 26 Lakh crores as on 30th September 2018.

The IL&FS default in September, 2018 resulted in one of the major turbulence in the sector, with doubts being cast on the solvency of NBFCs, due to the so called Asset Liability mismatch. However, the concerns were limited to the company in question, as a one off case, and were certainly not relevant for the entire NBFC sector. But this created one of the most challenging scenarios for NBFCs in their life time, where liquidity suddenly dried up and there was a major funding crunch in the market, driven by a sudden change in perception and the stance taken by banks towards funding of NBFCs.

The RBI did intervene to ease the situation by not only making the required regulatory changes but also engaging actively with the major players.

During the year under review, RBI made the following amendments to the regulatory framework for NBFCs:

- All banks, NBFCs and payment system providers were prohibited from dealing in virtual currencies.
- All exemptions granted to Government owned NBFCs were withdrawn, and as a result, they are also subject to all the regulatory norms as applicable to privately owned NBFCs.
- Systemically Important Core Investment Companies (CIC-NDSI) were permitted to hold the units of Infrastructure Investment Trust (Inv IT) as a sponsor.
- To encourage formalization and growth of MSMEs, banks and NBFCs were temporarily allowed to classify their exposure as per the 180 days past due criteria, to all MSMEs, including those not registered under GST, as a standard asset.
- Co-origination of loans by banks and NBFCs (NBFC-NDSIs) for lending to the priority sector.
- To provide liquidity, single borrower exposure limit for bank funding to NBFCs was increased from 10% to 15% of capital funds upto 31st December, 2018 and further extended to 31st March, 2019.
- Banks were allowed to treat their additional exposure (credit) to NBFCs and Housing Finance Companies (HFCs) as level 1 high quality liquid assets (HQLA) within the mandatory Statutory Liquidity Ratio (SLR) requirement.
- Securitization guidelines to NBFCs were relaxed, where the Minimum Holding Period (MHP) requirement in respect of loans of original maturity above 5 years, was reduced from 12 months to 6 months.
- Banks were allowed to provide Partial Credit Enhancement (PCE) to bonds issued by NBFC- NDSIs and HFCs.
- External Commercial Borrowings (ECB) framework was substantially relaxed in terms of eligible borrowers, recognized lenders, minimum average maturity period and merging of Tracks I and II as foreign currency denominated ECB and merging of Track III as rupee denominated ECB. ECB up to USD 750 Millon permitted under the automatic route.
- Onetime restructuring of existing loans to MSMEs without a downgrade in the asset classification.
- With the objective of harmonization of different categories of NBFCs, Asset Finance Companies (NBFC-AFCs), Loan companies (NBFC-LCs) and Investment Companies (NBFC-ICs) have been merged into one new category called Investment and Credit Company (NBFC-ICC).
- NBFC- NDSIs are covered under the Government of India's Interest Subvention Scheme for MSMEs.
- All bank exposures (funding) to all NBFCs except Core Investment Companies (CICs) will be risk weighted as per the ratings assigned by accredited credit rating agencies.

Your Company played a pivotal role in taking up the challenges faced in the wake of the recent crisis. Your Company has been the flag bearer for the sector and engaged both with RBI, Ministry of Finance and the historic and first of its kind meeting of the NBFC sector with the Hon'ble Prime Minister.

BUSINESS OUTLOOK AND FUTURE PLANS

During the year under review, the government continued its efforts towards enhancing India's attractiveness as an investment destination which resulted in:

- India climbing up 23 positions (from 100th in 2017 to 77th in 2018 among 190 countries) in the World Bank's Ease of Doing Business Index
- India moving up 5 places (from 63rd in 2017 to 58th in 2018) in the Global Competitiveness Index of the World Economic Forum
- India's rank improving from 60th in 2017 to 57th in 2018 on the Global Innovation Index of World Intellectual Property Organization.

In order to sustain the growth momentum and to create jobs, the government has been proactively spending on infrastructure creation. According to the Interim Budget 2019-20, the total capital outlay for infrastructure in 2019-20 has been kept at Rs. 4.7 trillion (approximately USD 70 billion). Among infrastructure segments, railways and roads are the biggest beneficiaries for 2019-20.

For 2019-20, the railways are to undertake the highest-ever capital expenditure of Rs. 1.58 trillion (approximately USD 22 billion) which also involves an all-time high budgetary support of Rs. 646 billion (approximately USD 9 billion).

In the Interim Budget, Pradhan Mantri Gram Sadak Yojana (PMGSY), the flagship programme to construct rural roads, has been allocated Rs.19,000 crore (approximately USD 2.7 billion).

Other than these, the Interim Budget mentioned the plan to create one lakh digital villages over the next 5 (five) years and also announced a number of initiatives aimed at bolstering the rural infrastructure that will encourage entrepreneurship. In addition, the decision to exempt levy of notional income on a second property owned by a tax-payer is expected to provide a boost to the housing sector.

The year under review also witnessed several notable developments in the infrastructure sector:

- The average pace of highway construction scaled a new high of 30 km / day, with the average touching a record high of 31.87 km / day in December, 2018. With the HAM (hybrid annuity model) and EPC (engineering-procurement-construction) taking care of most of the construction risk, private sector participation in highway projects is growing. This augurs well for the Bharatmala programme under which 34,800 km of highways are being constructed at a cost of Rs. 5.35 trillion (USD 77 billion).
- The Sagarmala programme, which entails projects involving port modernisation, capacity augmentation, port connectivity (including coastal shipping and inland waterways), port-led industrialisation and development of coastal communities, involves investments of over Rs. 8 trillion (approximately USD 114 billion).
- With rising levels of income and affordability, air traffic is growing fast in India. While 103 airports are operational now, India is expected to require 150-200 airports by 2035. Under the UDAN (Ude Desh ka Aam Nagrik) scheme, India is expected to add 75 airports in the next 3-4 years.

In addition, during the year under review, the government has introduced a National Mineral Policy (for non-fuel and non-coal minerals), a Hydro Power Policy and a National Digital Communication Policy. These, along with some more sector-specific announcements in the Union Budget 2019-20 (once the new government takes office), are likely to set in motion the conceptualization and implementation of more infrastructure projects. Thus, there will be a steady pipeline of infrastructure projects in the years to come.

Due to the government's focus on initiating policies and projects to ensure the creation of a world class infrastructure in India, demand for infrastructure equipment is expected to multiply as observed over the last three years. According to Feedback Consulting, the CME industry is expected to grow at a CAGR of 14-15 per cent for next three years until Fiscal 2021. The overall construction equipment industry is expected to reach 153,000 units by Fiscal 2021 and the market for new equipment finance market will continue to have a share between 85-87 per cent for the next three years. Feedback Consulting anticipates CME financing industry to grow at a CAGR of 20-21 per cent between Fiscal 2018 and Fiscal 2021. Apart from demand for construction, mining and allied equipment, a spurt in demand for agriculture and healthcare equipment is also expected. All these open up huge opportunities for your Company.

Your Company is actively tracking all these developments and the management is confident that the business scenario will improve significantly during FY 2019-20.

BUSINESS REVIEW

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

Infrastructure sector has been a key driver for the Indian economy. The government is earnestly working towards enhancing India's attractiveness as an investment destination. In order to sustain the growth momentum, the government has been proactively spending on infrastructure creation. In the recent years, Indian infrastructure has been enjoying high budgetary allocation, increased number of deals, increased participation from the private sector, and greater foreign direct investment (FDI) in the sector.

In the interim Union Budget 2019-20, sectors such as railways, housing and urban affairs, and roads and highways have witnessed increased year-on-year (y-o-y) allocations (excluding Internal and Extra Budgetary Resources (IEBR)) by 21 per cent, 12 per cent and 6 per cent respectively. The north east sector has received a special focus in the Interim Budget with an allocation of Rs. 58,166 crores, an increase of 21 per cent over the previous budget.

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

The construction, mining, and allied equipment (CME) industry is estimated to have grown by upwards of 20 per cent year-on-year in Fiscal 2019 in terms of unit sales.

Your Company, with the total disbursement of Rs. 13,681 crores in FY 2019, continues to be a dominant financer in the CME market. In a report by Feedback Consulting, your Company was a leading financier in the CME sector in India, with an approximately 33 per cent market share in Fiscal 2018. The report also highlights that the construction equipment finance industry is expected to grow at a CAGR of 20-21 per cent to Rs. 660 billion for the next three years (2017-18 to 2020-21).

During the first half of the year under review, your Company's disbursement grew to Rs. 8,572 crores compared to Rs. 8,309 crores in the same period in the previous year. The Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) reduced to 3.27 per cent and 1.94 per cent in the first half of the period under review compared to 5.07 per cent and 3.26 per cent, respectively, in the same period last year. In the first half of the year, your Company's total income and net profit grew by 35 per cent and 86 per cent, respectively, over the corresponding period in the previous financial year.

In the aftermath of the NBFC crisis that unfolded across India's financial system in September 2018, liquidity was constrained in general across NBFCs. There was a marked slowdown in the second half of the year under review that resulted in a decline in disbursements to Rs. 5,399 crore compared to Rs. 8,680 crore during the same period in the previous year. In this second half of the year under review, there was a growth in your Company's total income by 21 per cent year-on-year and net profit declined 43 per cent year-on-year.

The consolidated impact of both the halves of the 2018-19 review period led to an increase of profit before tax and profit after tax by 3 per cent and 4 per cent, respectively, to Rs. 457 crores and Rs. 306 crore, respectively. The total Asset under Management (AUM) grew to Rs. 32,226 crores, representing an 8.93 per cent growth over last year. The Capital Adequacy Ratio (CAR) remained compliant at 16.08 per cent. In this challenging environment, your Company has focused on diversifying the liability portfolio to enhance liquidity for future growth and is re-engineering the business model through multiple stake holder partnerships with an endeavour to make the model sustainable.

In the forthcoming year, your Company would continue to leverage its growth opportunities through its latest capital light co-lending business model with both, public sector and the private sector banks which will enable your Company to access enhanced liquidity as well as allow your Company to collaborate and widen its market and customer base, thereby helping it maintain its strong market position. While banks will have access to your Company's strong customer relationships, OEM relationship and programs, domain expertise, risk prognosis tools arising out of three decades of experience and your Company's tested process and policies; it shall also offer customers a win-win scenario with access to affordable financial solutions and other banking products under one umbrella. This model will also enable your Company to emphasize on fee income and maintain cost efficiency, thereby helping it deliver improved performance matrices. The co-lending arrangement shall operate through a digital platform for loan origination, loan dues collection, auction of equipment, valuation of equipment and several other facilities. Meanwhile, your Company shall continue to conduct normal business activities with its SME and strategic customers. Further, your Company will remain focussed on upgrading its existing technology systems with automated, digitised and other technology-enabled platforms and tools to strengthen its financing initiatives and derive operational cost and management efficiencies.

RESOURCES

The year under review, especially second half of the year, was very critical & challenging for the Treasury department of your Company. The Treasury team of your Company has done exceptionally well by maintaining sufficient liquidity to ensure timely repayment obligations and business continuity. The strong Asset Liability Management Policy of your Company and efficient management of available resources has helped to sail through the tsunami in the financial market during the second half of the last fiscal.

i. Loans from Banks

The domestic resource mobilization team (unit of Liability & Treasury Management Group) of your Company has been able to leverage its long & strong relationship with all the public & private sector banks and financial institutions operating in the Country. The tied-up Cash Credit limits of your Company stood at Rs. 11,320 Crores from a consortium of banks. During the year, fresh Term facilities of Rs. 2,462.50 Crores were raised from various domestic banks and financial institutions.

ii. Securitisation / Assignment of Loan Portfolio

Securitization / Assignment of receivables have been significant source of liquidity for your company. During the year, your Company had securitised / assigned loans to the extent of Rs. 5,683 Crores. Further, your Company has also assigned lease receivables aggregating to Rs. 116 crores during the year, in order to augment funds. The assets securitised / assigned assets have been de-recognized in the books of your Company as per extant RBI guidelines on securitisation of standard assets and applicable accounting standards.

iii. Short Term Loans & Commercial Paper

The issuances of Commercial Papers (CPs) and availing Short term loans from banks by earmarking Cash credit limits, helps your Company to bring down the cost of working capital. During the year, your Company issued CPs to Mutual Funds, Banks and other investors and also raised short term loans from banks by earmarking of cash credit limits.

iv. Private Placement of Non-Convertible Debentures (NCDs)

Your Company has done reasonably well in augmenting the long term resources and increasing the capital base through raising Perpetual Debt of Rs. 100 crores and Subordinated Debt for an amount aggregating to Rs. 55 Crores during the year. Further, an amount of Rs. 314 crores have also been raised through issuance of Secured NCDs on private placement basis from institutional investors during the year.

v. International Borrowings:

Similar to FY 2017-18, in FY 2018-19 Foreign Currency loans to the equivalent of USD 80.91 million amounting to Rs. 549.52 crores was drawn down. The hedge cost of these loans along with the loan cost helped in bringing down the overall cost of funds. Since buyers credit i.e. short term foreign currency trade credit was banned by RBI in March, 2018, your Company was unable to raise funds through this short term source. However relaxation in this segment has come and in future your Company will look to raise resources in short term foreign currency trade credit apart from longer tenor External Commercial borrowings.

RISK MANAGEMENT

Management of risk remains an integral part of your Company's operations and it enables your Company to maintain high standards of asset quality at time of rapid growth of its lending business. The objectives of risk is to maintain robust 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 Committee of the Board which meets every quarter to deal with such matter as may be referred to by the Board of Directors from time to time. Your Company's risk management strategy is based on a clear understanding of various risks, and adherence to well-laid out risk policies and procedures that are benchmarked with industry best practices. Your Company has a defined Risk policy for risk management which aims to put in place a robust risk management framework to help in achieving the objectives. The broad objective of the Committee is to identify and assess various risks of your Company, to strengthen the risk management practices and compliance framework of your Company, to evaluate the effectiveness of mitigating strategies periodically to address material risks, to review any material findings and recommendations of the Risk Department and 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 function which ensures that your Company operates within a pre-defined risk contours. The risk management function strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks and put in place mitigants through change in policies and enhanced process controls.

Governance Structure

The risk strategy of your Company is enunciated and overseen by the Risk Committee of the Board (RCB) mentioned above, an independent Board level sub-committee that strives to put in place specific policies, frameworks and systems for effectively managing the various risks. Policies approved from time to time by the Board of Directors or the RCB in consultation with other sub-committees of the Board, viz. Asset Liability Management Committee (ALCO) and Credit & Investment Committee, 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, asset risk, treasury & market risk, operational risk, liquidity risk and counterparty risk supplemented by periodic validations of the methods used. Under the guidance of RCB, the risk department is 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 quantitative and qualitative tools facilitating an accurate assessment of risk at all times.

Credit Risk

Risk aims at mitigating the credit risk by client grading, developing scoring models, doing an industry analysis to which the client belongs, existing portfolio analysis, regional analysis, and review of credit files. The credit proposals are vetted to provide views on the future outlook of the sector/segment for short to medium term with particular emphasis on various geographies and asset classes. The perspective of governmental support, regulatory issues, growth trend &

demand potential, capital intensity & back-up, competition, recoverability of receivables, and other parameters impacting credit quality are analyzed to arrive at a risk aware and risk integrated decision. Your Company has a strong framework for the appraisal and execution of financing transactions that involves a detailed evaluation of commercial, financial, marketing and management factors of the borrower depending upon the constitution of the borrower, the size of the exposure and the complexity of the transaction, including sponsor's financial strength and experience.

Asset Risk

As an asset financing company, one of the key elements for assessing the underlying transaction risk is the intrinsic value of the asset being financed through the life of the financial facility extended. Risk department monitors the intrinsic value of assets being financed across the financing life cycle.

Portfolio Risk

The portfolio risk is assessed through various analytical tools to help in portfolio monitoring via reflection of trends, ratios, Actual v Budgeted etc. Various models are developed to understand the behaviour pattern of the portfolio to mitigate the risk arising from the same. The patterns of the past data is analysed to determine the probability in the future. Your Company periodically reviews the impact of the stress scenarios resulting from rating downgrades or drop in the asset values in case of secured exposures on the portfolio. Your Company works within prudential limits of exposure to single borrower and borrower groups, industry sectors and geographies, and regularly tracks portfolio level concentrations. These limits are periodically reviewed based on changes in macro-economic environment, regulatory environment and industry dynamics. Existing credit exposure in the portfolio is continuously monitored and reviewed. Key sectors are analysed in details to suggest strategies considering both risks and opportunities. Wherever required, corrective action is taken based on portfolio analysis and early warning signals.

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 the company on a monthly basis over a horizon of one year comprising maturity profile of all liabilities, amortization of credit portfolio and targeted disbursement. Thereafter, the net position is sensitized with lower collection rate, based on the prevailing trend & emerging scenario for various business verticals through scenario analysis. 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 as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. Interest rate risk is the probability that variations in the interest rates will have a negative influence on the quality of a given financial instrument or portfolio, as well as on your Company's condition as a whole. Interest rate risk is generally managed through floating rate mechanism by linking the lending rate of interest to your Company's benchmark rate and is reviewed periodically with changes in your Company's cost of funds. Your Company conducts stress testing at periodical intervals to monitor vulnerability towards unfavourable interest rate movements. Exchange rate risk management becomes necessary as your Company borrows money in foreign currency and lends in domestic currency. In order to optimize the cost of funds, your Company adopts effective hedging strategies considering the overall risk appetite of your Company. Your Company measures, monitors and controls exchange rate risk through statistical measures.

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. This risk should be managed in the sense that it must be contained within acceptable limits by means of avoidance, reduction or transfer actions. Your Company involves in development of various policies, second level controls and risk control matrices to mitigate errors. Your Company ensures that the companies anti money laundering procedures are implemented, effective, and compliant with the latest statutory regulations. It involves in setting up of a consistent system throughout the company, with an adequate level of formalization and traceability that will serve to provide management, the board of directors, and regulatory bodies with reasonable assurance of risk control. Your company has a Business Continuity Plan (BCP) is in place which ensures business continuity in unlikely event of disaster or disruption. Further to provide continued and uninterrupted service even during natural disasters, a Disaster Recovery (DR) plan has also been put in place. 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.

Regulatory Risk

Your Company has a system based implementation and control management ensuring regulatory compliances. The system is designed to adapt to the changes in the regulatory environment to avoid breach of compliances and provide greater clarity and confidence around the regulatory risk framework and the ability to manage regulatory change. It involves understanding of both regulator expectations and business processes and challenges. It involves identification of process improvement opportunities to ensure the effective and consistent management of compliance and regulatory obligations.

HUMAN RESOURCES ACTIVITIES

Your Company has continued to focus on building organization capability, creating process excellence and working on strengthening the collaborative culture.

In terms of building organizational capability and people development, the Human Resources (HR) Team of your Company conducted workshops across all levels for its employees. Skill building workshops based on the organization's Competency Framework were carried out for employees across all locations across the Country. Additionally, e- learning continued to be leveraged to support learning and development.

As a part of your Company's Leadership Development initiatives, your Company together with the Korn Ferry Hay Group worked with selected senior leaders in building future-oriented leadership capabilities. Each leader developed an individual plan based on assessments carried out in a Development Centre.

Building a culture of collaboration remained an area of focus. In order to build a culture of appreciation, a "Thank You Card" was launched. This initiative aimed to instill a culture of supporting colleagues and acknowledging the help given. This gesture of acknowledgment aimed to enhance teamwork and camaraderie amongst employees of your Company.

The formation of Cultural Club was another initiative launched in order to bring together employees from different locations, businesses and departments across the Kanoria Foundation through music, dance and drama. This collaboration led to the Culture Club's first rendition, a beautiful dance drama, performed by employees of your Company.

Your Company has continued to involve the extended SREI Family in its activities and the Srei Bandhan team, which is run and managed by employee spouses, actively worked to support the World Confluence, organized the employee annual picnic and whole-heartedly participated in all social causes of the Srei Foundation.

Your Company's Sports Club also brought fame this year. The in-house Table Tennis team won the Runners Up Trophy and the Best Dressed Team in the Corporate Cup Table Tennis 2018 held at The Saturday Club.

In the year under review, to help our employees resolve their HR queries instantly and around the clock, your Company launched a cutting-edge digital solution - "Jigyasa". This is a chatbot that replies to all queries pertaining to the employee life cycle.

The HR team of your Company also kept the personal touch with employees by continuous communication. Throughout the year, your Company reached out to employees through various communication platforms, such as a live webcast on the occasion of Diwali, where the Chairman and Vice Chairman addressed all the employees and answered their questions.

Once again, your Company has been Great Place to Work - Certified. Your Company's Trust Index scores and Employee Perception scores have been impressive.

The employee count of your Company stands at 1763 as on March 31, 2019.

INFORMATION TECHNOLOGY

Information Technology (IT) in your Company has successfully imbibed new upcoming opportunity opened up in as co-lending operating model and thus have been able to grab newer avenues in the market place which will facilitate to retain the industry leadership. During the year, your company has also embarked upon analytics journey leveraging on the past business experience and to create reach data model to automate business acquisition process in the year to come. Major thrust has been given to enhance the ability to scan untapped business opportunities through analytics.

Your Company has been able to implement the requirements as prescribed in the Reserve Bank of India (RBI) Master Direction on Information Technology Framework for the NBFC Sector and continue to take necessary actions accordingly.

Comprehensive security strategies have been framed, and the controls have been designed to mitigate the risk and enhance resistance to cyber-attacks. Your Company has revamped the risk management methodology by putting in place required cyber security risk management processes across all major IT applications through monitoring of logs and effective implementation of a Security Operations Center (SOC).

Your Company has taken up initiative to upgrade the major business applications eying at enriched operating processes enhanced security features to ensure scalability step up in the technology curve. Your Company's technology plan is now poised to boost up the market penetration program and Go-To-Market strategy by improving customer experience through straight through processing and simplification as well as industrialisation of acquisition the process. Your Company's IT strategy has given emphasis on costs associated with IT performance with due understanding at all steps in the new implementation projects.

INTERNAL CONTROL AND AUDIT

Your Company's vision, mission and core values have laid down the foundation for the entire internal control mechanism. On the administrative controls side, your Company has a proper reporting structure, several oversight committees, defined roles and responsibilities at all levels and rigorous performance appraisal system to ensure appropriate checks and balances. On the financial controls side, management with the knowledge and understanding of the business, its organization, operations, and processes has put in place appropriate controls including segregation of duties and reporting mechanism to deter and detect misstatements in financial reporting.

Your Company has an Internal Financial Control System, commensurate with the nature of its business and the size and complexity of its operations. Your Company's system of internal control has been designed to provide a reasonable assurance with regard to policies and procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timeliness and reliability of financial reporting.

The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other matters which in its opinion are material and relevant for the securityholders. The Company effectively uses BSE Corporate Compliance & Listing Centre,a web based application designed BSE Limited and a designated email id provided by National Stock Exchange of India Ltd. for debt listed companies for filing of shareholding pattern, corporate governance report, financial statements and significant corporate announcements thereby saving time, cost and ensuring operational efficiency.

Your Company has a dedicated and independent Internal Audit Department commensurate with the size and nature of operations and reporting directly to the Audit Committee of the Board. The Internal Audit Department is adequately staffed with Chartered Accountants and other professionals, who are well experienced in financial services and related risks and controls. The purpose, scope, authority and responsibility of the Internal Audit Department are delineated in the Audit Charter approved by the Audit Committee. Internal Audit Department influences and facilitates improvements in the control environment by constantly evaluating the risk management and internal control systems. It acts as an active and effective change agent. The Team ensures seamless efficient business operation and supports mitigation of associated risks by the process owners.

Furthermore, the Audit Committee of your Company evaluates and reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen them. Your Company has a robust Management Information System, which is an integral part of the control mechanism. Significant deviations are brought to the notice of the Audit Committee periodically and corrective measures are recommended for implementation. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. All these steps facilitate timely detection of any irregularities and early remedial measures.

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 Companies (Meetings of Board and its Powers) Rules, 2014, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. The said Policy was last revised on February 01, 2019. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on http://www.sreiequipment.com/Whistle_Blower_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's sustainable approaches towards practicing humble service to Humanity on a sustainable basis, has enabled it to continue fulfilling its commitment to be a socially responsible corporate citizen.

The Corporate Social Responsibility (CSR) Committee constituted in terms of Section 135 of the Companies Act, 2013 ("the Act") and the rules thereon is established with primary function of the Committee to undertake activities mandated by the Act. The Committee presently comprises of Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Vice Chairman and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman of your Company acts as the Chairman and the Company Secretary acts as the Secretary to the CSR Committee.

The CSR Committee of your Company has formulated a CSR Policy which 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 Companies Act, 2013 as may be identified by the CSR Committee from time to time. The said Policy is available on the Link - http://www.sreiequipment.com/Corporate_Social_Responsibility_Policy.pdf.

Recognising its social responsibility, your Company has supported Srei Foundation towards educating deserving and talented candidates through scholarships and grants, setting up of schools, colleges, medical and scientific research institutions by contributing Rs. 3,85,00,000/- (Rupees Three Crore Eighty Five Lacs only) during the financial year 2018-19. Donations to Srei Foundation qualify for deduction under Section 80G of the Income Tax Act, 1961.

Apart from Srei Foundation, your Company supported a variety of other charitable projects and social welfare activities also and contributed an aggregate sum of Rs. 1,40,21,000/- (Rupees One Crore Forty Lacs Twenty One Thousand only) to several welfare and charitable organisations viz IISD Edu World, Acid Survivors & Women Welfare Foundation, Shri Ramakrishna Ashrama, S.V.S Marwari Hospital, Indian Institute of Cerebral Palsy, Indian Mother And Child Care, Khushii-Kinship for Humanitarian Social and Holistic Intervention and Sri Chandrasekara Rural Development Trust.

During the year under review, your Company spent an aggregate amount of Rs. 5,25,21,000/- (Rupees Five Crore Twenty Five Lacs Twenty One Thousand Only), being 2.043 per cent of the average net profits of last 3 (three) years, towards CSR activities pursuant to CSR Policy of your Company, which is more than the minimum statutory requirement, which is 2 (two) per cent of the average net profits of last 3 (three) years.

During the year under review, the CSR Committee met 4 (Four) times on April 24, 2018, September 03, 2018, November 15, 2018 and March 23, 2019.

WEBSITE

The website of your Company www.sreiequipment.com has been developed on the new responsive technology based platform known as 'Drupal', ensuring uniform display across all devices like mobile, tablet, desktop etc. and all the operating systems. The website has zan 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 site carries a comprehensive database of information of interest to the investors including the Financial Results, Financial Products, Manufacture Partner, Corporate Codes and Policies, Corporate Presentations, Stock Exchange Intimation, Media Coverage, Initial Public Offering (IPO) related information and business activities of your Company and the services rendered by your Company. Some useful features like Credit Rating and Active and Mature NCD, Registrar Point, NCDS Touch Points, Draft Prospectus for Non-convertible debentures of your Company etc. The customers can access their account and download the essential documents directly from the website. The links to different social media i.e. Facebook, YouTube, Twitter, LinkedIn has been embedded in the home page of the new website to get access of the key initiatives and achievements of your Company.

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

There is no such material change and commitment affecting the financial position of your Company which have occurred between the end of the financial year of your Company to which the financial statements relate and the date of the Report, except as stated earlier.

KEY MANAGERIAL PERSONNEL (KMPs)

During the year, 5 (five) senior executives of your Company were voluntarily designated by the Board of Directors as Key Managerial Personnel (KMPs) namely Mr. Debashis Ghosh, Chief Internal Auditor, Mr. Indranil Sengupta, Chief Risk Officer, Mr. Rajdeep Khullar, Group Head – Litigation, Mr. Pulak Bagchi, Group Head - Corporate Legal w.e.f. April 24, 2018 and Mr. Pavan Trivedi, Chief of Operations w.e.f. February 01, 2019 pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 ('Act') and rules made thereunder.

The KMPs do not hold any shares/Non-Convertible Debentures (NCDs) of your Company.

The following directors/executives of your Company are the whole-time Key Managerial Personnel (KMPs) as on March 31, 2019, in accordance with the provisions of Section 203 of the Companies Act, 2013 -

Name	Designation
Mr. Hemant Kanoria*	Chairman
Mr. Sunil Kanoria	Vice Chairman
Mr. Devendra Kumar Vyas**	Managing Director
Mr. Manoj Kumar Beriwala	Chief Financial Officer
Ms. Ritu Bhojak	Company Secretary
Mr. Debashis Ghosh#	Chief Internal Auditor
Mr. Indranil Sengupta#	Chief Risk Officer
Mr. Rajdeep Khullar#	Group Head – Litigation
Mr. Pulak Bagchi#	Group Head - Corporate Legal
Mr. Pavan Trivedi##	Chief of Operations

*Appointed as Chairman of your Company, in whole time capacity w.e.f. 01.03.2019
**Appointed as Managing Director of your Company w.e.f. 01.02.2019
#Appointed as a KMP w.e.f. 24.04.2018
##Appointed as a KMP w.e.f. 01.02.2019

The list of additional KMPs of the Company has thereafter been revised for operational convenience. Accordingly, after the revision, Mr. Debashis Ghosh, Mr. Rajdeep Khullar and Mr. Pulak Bagchi ceased to be additional KMPs of the Company w.e.f. 17.05.2019.

Further, Mr. Indranil Sengupta was additionally designated as the Chief Risk Officer (CRO) of the Company for a tenure effective from 17th May, 2019 till 30th June, 2020 pursuant to the provisions of the notification on Risk Management System – Appointment of Chief Risk Officer (CRO) for NBFCs, issued by Reserve Bank of India vide notification no. RBI/2018-19/184 DNBR (PD) CC. No.099/03.10.001/2018-19 dated May 16, 2019.

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 uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilisation, safety and environment.

During the year under review, the total foreign exchange expenditure of your Company was Rs. 13, 957 lacs (previous year Rs. 7,100 lacs) and has not earned any foreign exchange (Previous Year - Nil).

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

7 (Seven) Board meetings were held during the year 2018-19 on April 24, 2018, August 17, 2018, September 03, 2018, November 15, 2018, January 21, 2019, February 01, 2019 and

February 11, 2019.The maximum time gap between any two consecutive meetings did not exceed 120 (one hundred and twenty) days.

DIRECTORS

During the year under review, the Board of Directors of your Company appointed Mr. Hemant Kanoria (DIN: 00193015) as the Chairman of your Company, in whole time capacity, for a period of 5 (five) years w.e.f. March 01, 2019, liable to retire by rotation, on existing terms and conditions, based on the recommendation of the Nomination and Remuneration Committee of your Company and subject to approval of Members at the ensuing Annual General Meeting (AGM) of your Company.

Further, the Board of Directors of your Company appointed Mr. Devendra Kumar Vyas (DIN: 00651362), as an Additional Director (Category – Executive Director) of your Company with effect from February 01, 2019 to hold office as such upto the date of 13th (Thirteenth) Annual General Meeting (AGM) of your Company. Mr. Devendra Kumar Vyas was also appointed as Managing Director of your Company for a period of 5 (five) years w.e.f February 01, 2019, liable to retire by rotation, based on the recommendation of the Nomination and Remuneration Committee of your Company and subject to approval of Members at the ensuing Annual General Meeting (AGM) of your Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company appointed Mr. Ashwani Kumar (DIN: 02870681) as an Additional Director (Category – Non Executive and Independent) of your Company w.e.f. February 01, 2019 to hold office upto the date of 13th (Thirteenth) Annual General Meeting (AGM) of your Company. Subject to approval of the Members of your Company, the Board recommends appointment of Mr. Ashwani Kumar as Independent Director of your Company for a period of 5 (five) consecutive years from date of the Thirteenth AGM of your Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 (Act) and the relevant Rules and your Company's Articles of Association, Mr. Sunil Kanoria (DIN: 00421564) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The brief resume / details relating to Directors who are proposed to be appointed/re-appointed are furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the appointment/re-appointment of all the above Directors.

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. All requisite declarations were placed before the Board.

Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman (Executive Directors) of your Company, are also the Chairman and Vice Chairman, respectively, of Srei Infrastructure Finance Limited (SIFL), the holding company of your Company and are in receipt of remuneration (including commission and sitting fees) during the Financial Year 2018-19 from SIFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)
Hemant Kanoria	246.60
Sunil Kanoria	18.75

Mr. Shyamalendu Chatterjee, Independent Director of your Company, is an Independent Director of Srei Infrastructure Finance Limited (SIFL), holding company of your Company and Chairman (Category: Non- Executive) of Srei Capital Markets Limited, fellow subsidiary of your Company and is in receipt of sitting fees and commission during the Financial Year 2018-19 from the said companies as per the details given below:

Name of Company	Remuneration (Rs. in Lacs)
Srei Infrastructure Finance Limited	21.40
Srei Capital Markets Limited	1.25

AUDIT COMMITTEE

The Audit Committee of your Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The Board of Directors of your Company, at its meeting held on February 01, 2019, reconstituted the Audit Committee, consequent to induction of Mr. Ashwani Kumar, Additional Director (Category - Non Executive and Independent Director) as a Member of the Committee. The terms of reference of the Committee was last revised on May 17, 2019. The Committee presently comprises Mr. Shyamalendu Chatterjee, Ms. Supriya Prakash Sen, Mr. Ashwani Kumar, Independent Directors and Mr. Sunil Kanoria, Vice Chairman. Mr. Shyamalendu Chatterjee, Independent Director of your Company is the Chairman of the Audit Committee. The Company Secretary of your Company acts as the Secretary to the Audit Committee.

6 (Six) meetings of the Audit Committee were held during the year 2018-19 on April 24, 2018, September 03, 2018, November 15, 2018, January 21, 2019, February 01, 2019 and February 11, 2019. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

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

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company have constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013. The terms of reference of the Committee was last revised on February 01, 2019. The Committee presently comprises Mr. Shyamalendu Chatterjee, Ms. Supriya Prakash Sen, Mr. Suresh Kumar Jain, Independent Directors and Mr. Hemant Kanoria, Chairman. Mr. Shyamalendu Chatterjee, Independent Director of your Company is the Chairman of the Nomination and Remuneration Committee. The Company Secretary of your Company acts as the Secretary to the Nomination and Remuneration Committee.

3 (Three) meetings of the Nomination and Remuneration Committee of your Company were held during the year 2018-19 on April 24, 2018, September 03, 2018 and February 01, 2019. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The Committee has formulated the Nomination and Remuneration Policy ('SEFL Nomination and Remuneration Policy') which broadly lays down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability, and covers the procedure for selection, appointment and compensation structure of the Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy was last revised on February 01, 2019. The said Policy is available on http://www.sreiequipment.com/Nomination_Remuneration_Policy.pdf.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors of your Company have constituted a Stakeholders Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The terms of reference of the Committee was last revised on February 01, 2019. The Committee presently comprises of Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Vice Chairman and Mr. Shyamalendu Chatterjee, Independent Director. Mr. Shyamalendu Chatterjee, Independent Director of your Company is the Chairman of the Stakeholders Relationship Committee. The Company Secretary of your Company acts as the Secretary to the Stakeholders Relationship Committee.

3 (Three) meetings of the Stakeholders Relationship Committee were held during the year 2018-19 on April 24, 2018, October 10, 2018 and January 24, 2019.

The Committee oversees and reviews redressal of security holders and investor grievances, deals with matters relating to Srei Equipment Finance Limited Code of Conduct for Prohibition of Insider Trading (SEFL Insider Code) framed in line with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND YOUR COMPANY'S OPERATIONS IN FUTURE

There are no such orders passed by the regulators / courts / tribunals impacting the going concern status and your Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;

(iii) they have taken proper and sufficient care 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) they have prepared the annual accounts for the year ended March 31, 2019 on a going concern basis;

(v) they have laid down internal financial controls to be followed by your Company and that such internal controls are adequate and are operating effectively;

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

Your Company has complied with all applicable provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

AUDITORS

At the 8th (Eighth) Annual General Meeting (AGM) of your Company held on 1st July, 2014, Messrs Deloitte Haskins & Sells, Chartered Accountants having registration No. 302009E allotted by The Institute of Chartered Accountants of India were appointed as the Statutory Auditors of your Company to hold office for a term of 5 (Five) years from the conclusion of 8th (Eighth) AGM till the conclusion of the 13th (Thirteenth) AGM of your Company. Accordingly, Messrs Deloitte Haskins & Sells, retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting (AGM).

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. Further, the Statutory Auditors have not reported any incident of fraud during the year under review to the Audit Committee of your Company.

SECRETARIAL AUDIT REPORT

Your Company appointed Mr. Mohan Ram Goenka, Practising Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. FCS 4515; Certificate of Practice No. 2551) as the Secretarial Auditor of your Company for the financial year 2018-19 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, 2019 does not contain any qualification, reservation or adverse remark or disclaimer and the same forms part of the Annual Report.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

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 Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the financial year 2018-19. 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.

In terms of Section 177 of the Companies Act, 2013, your Company obtained approval of the Audit Committee for entering into any transaction with related parties as applicable. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

A Related Party Policy has been formulated by your Company for determining the materiality of transactions with related parties and dealings with them. The said Policy was last revised on February 01, 2019. The said Policy is available on http://www.sreiequipment.com/Related_Party_Transactions_Policy.pdf.

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

PARTICULARS OF EMPLOYEES

The prescribed particulars of remuneration of employees pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as an annexure to the Directors' Report and forms a part of this Annual Report.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return as on the financial year ended on March 31, 2019 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is set out as an annexure to the Directors' Report and forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PERFORMANCE EVALUATION

The Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors, Chairman, Managing Director and Executive Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 covers inter-alia the following parameters namely:

i) Board Evaluation - degree of fulfillment of key responsibilities; Board culture dynamics, amongst others.

ii) Board Committee Evaluation - effectiveness of meetings; Committee dynamics, amongst others.

iii) Individual Director Evaluation (including Independent Directors, Chairman, Managing Director and Executive Directors) - Attendance, contribution at Board Meetings, guidance/support to management outside Board/Committee meetings, etc.

Further, the Chairman is additionally evaluated on key aspects of the role which includes inter-alia effective leadership to the Board and adequate guidance to the CEO/ Managing Director (MD). Independent Directors are additionally evaluated based on their independence from the management.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee (NRC) and Corporate Social Responsibility Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and the above mentioned Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI. The said questionnaire was circulated to the Directors in physical mode and the same was also made available to the Directors on their I-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2018-19 on the broad parameters as laid down by the NRC.

Based on the above mentioned criteria, the performance of the Board, various Board Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee and Individual Directors (including Independent Directors, Chairman, Managing Director and Executive Directors) was evaluated and found to be satisfactory.

During the year under review, the Independent Directors of your Company reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman of your Company, taking into account the views of Executive Directors and Non-Executive Directors.

Further, the Independent Directors hold unanimous opinion that the Non-Independent Directors as well as the Chairman bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of your Company.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and discussed when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairman has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between your Company's Management and the Board is complete, timely with good quality and sufficient quantity.

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

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

Your Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee constituted for this purpose. The said Policy is available on http://www.sreiequipment.com/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 received 1 (One) complaint of sexual harassment which was disposed off following the due process as per the laid down policy.

GENERAL DISCLOSURES

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

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

AWARDS AND RECOGNITION

During the year under review, your Company received the following awards and recognitions -

- Great Place to Work-Certified™ by Great Place to Work Institute, 2018 for the period of March, 2018 to February, 2019 and March, 2019 to February, 2020
- Economic Times – Game Changers of India 2018
- Employer Branding Institute - Best Employer Award India 2018
- Economic Times – Iconic Brands of India 2018
- 3rd NBFC100 Tech Summit, 2018 – Best NBFC in SME Financing for BFSI Leadership Awards 2018.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

	Sd/-	Sd/-
	Sunil Kanoria	**Devendra Kumar Vyas**
Place: Kolkata	DIN: 00421564	DIN: 00651362
Date: May 17, 2019	Vice Chairman	Managing Director

MR & Associates
Company Secretaries
46, B. B. Ganguly Street,
Kolkata-700012
Moblie No: 9831074332
Email :goenkamohan@gmail.com

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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
'Vishwakarma', 86C, Topsia Road,
Kolkata- 700046,
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by**Srei Equipment Finance Limited**(hereinafter called the Company). 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 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 on31st March,2019 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31stMarch, 2019 according to the provisions of following Acts as amended from time to time alongwith the rules and regulations made thereunder:

i) The Companies Act, 2013 (the Act) and the rules made thereunder read with the Companies (Amendment) Act, 2017 to the extent notified as on Financial year ended 31st March, 2018;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were applicable to the Company during the Audit Period:-

a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2018;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable.

I further report that during the audit period, there were no actions/ events in pursuance of;

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, we further report that the Company has complied with the following laws applicable specifically to the Company:

i) Reserve Bank of India Act, 1934 and guidelines, directions and instructions issued by RBI through notifications and circulars relating to Non-banking Financial Institution Laws.

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

i) Secretarial Standards as issued and mandated by the Institute of Company Secretaries of India,

ii) The Listing Agreements entered into by the Company for listing of its debt securities with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetingsandagenda weresent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Board has approved a composite scheme of arrangement and amalgamation amongst the Srei Infrastructure Finance Limited ("Company"), Srei Equipment Finance Limited (a wholly owned subsidiary of the Company), Srei Asset Finance Limited [formerly known as Srei Asset Reconstruction Private Limited] (a wholly owned subsidiary of the Company) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder ("Scheme").

We further report that during the audit period the Company had,

i) Issued 50 Secured Listed Rated Redeemable Non-Convertible Debenture (NCDs) of Face Value of Rs. 10 Lakhs each, for an amount upto Rs. 5 Crores pursuant to "Disclosure Document" on a Private Placement Basis dated April 4, 2018.

ii) Issued by way of further issuance under existing ISIN 50 Secured Listed Rated Redeemable Non-Convertible Debenture (NCDs) of Face Value of Rs. 10 Lakhs each, for an amount upto Rs. 5 Crores pursuant to "Disclosure Document" on a Private Placement Basis dated April 6, 2018.

iii) Issued by way of further issuance under existing ISIN 40 Secured Listed Rated Redeemable Non-Convertible Debenture (NCDs) of Face Value of Rs. 10 Lakhs each, for an amount upto Rs.4 Crores pursuant to "Disclosure Document" on a Private Placement Basis dated April 12, 2018.

iv) Issue of Redeemable Non-Convertible Debentures (including Bonds) on private placement basis upto an aggregate amount of Rs. 25000 Crores by way of Special Resolution passed on May 10, 2018.

v) Issue of Secured Redeemable Non-Convertible Debenture (NCDs) of Face Value of Rs. 1000 each for an amount of Rs.5000 Million ("Base Issue Size") with an option to retain Over Subscription upto additional NCDs of Rs. 1000 each, for an amount of Rs. 5000 Million aggregating to Rs. 10000 Million ("Overall Issue Size") pursuant to Prospectus dated April 16, 2018 by way of Public Issue. Out of which Allotment of 50,98,066NCDs of Face Value of Rs. 1000 each was made on May 25, 2018.

vi) Issued 500Unsecured Subordinated Listed Rated Redeemable Non-Convertible Debenture (NCDs) of Face Value of Rs. 10 Lakhs each, for an amount uptoRs. 50 Crores pursuant to "Disclosure Document" on a Private Placement Basis dated June 29, 2018.

vii) Issued 50 Unsecured Subordinated Listed Rated Redeemable Non-Convertible Debenture (NCDs) of Face Value of Rs. 10 Lakhs each, for an amount upto Rs. 5 Crores pursuant to "Disclosure Document" on a Private Placement Basis dated October 10, 2018.

viii) Issued 1000 Unsecured Non-Convertible Perpetual Debenture (PDI) of Face Value of Rs. 10 Lakhs each, for an amount upto Rs. 100 Crores pursuant to "Disclosure Document" on a Private Placement Basis dated December 13, 2018.

ix) Approval of Composite Scheme of Arrangement and Amalgamation in the Board Meeting dated January 21, 2019 filed on February 13, 2019 in Form MGT-14 with the Registrar of Companies.

x) IssueofSecured Redeemable Non-Convertible Debenture and Unsecured Subordinated Redeemable Non-Convertible Debenture (NCDs) of Face Value of Rs. 1000 each, eligible for inclusion as Tier-II Capital for an amount of Rs. 1500 Million ("Base Issue Size") with an option to retain Over Subscription upto additional Rs. 1500 Million NCDs of Rs. 1000 each, for an amount of Rs. 1500 Million aggregating to Rs. 3000 Million ("Overall Issue Size") pursuant to Prospectus dated December 11, 2018 by way of Public Issue.Out of which Allotment of 18,49,990NCDs of Face Value of Rs. 1000 each were made on January 24, 2019.

xi) Issued 3000 Secured Listed Rated Redeemable Non-Convertible Debenture (NCDs) of Face Value of Rs. 10 Lakhs each, for an amount upto Rs. 300 Crores pursuant to "Disclosure Document" on a Private Placement Basis dated January 24, 2019.

This Report is to be read with our letter of even date which is annexed **"Annexure A"** and forms an integral part of this Report.

Place: Kolkata
Date: 17.05.2019

For MR & Associates
Company Secretaries

Sd/-
[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

MR & Associates
Company Secretaries
46, B. B. Ganguly Street,
Kolkata-700012
Moblie No: 9831074332
Email :goenkamohan@gmail.com

"ANNEXURE – A"

**(TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019)**

To,
The Members
SREI EQUIPMENT FINANCE LIMITED
'Vishwakarma', 86C, Topsia Road,
Kolkata- 700046,
West Bengal

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 where 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.

6. 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 MR & Associates
Company Secretaries

Place: Kolkata
Date : 17.05.2019

Sd/-
[M R Goenka,
Partner
FCS No.:4515
C P No.:2551

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2018-19

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

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

CSR activities at Srei Equipment Finance Limited are carried out in multiple ways:

a. Independently
b. Jointly with Srei Foundation and IISD Edu World
c. In partnership with external social bodies / NGOs.

Our activities are carried out along the following thrust areas:

a. **Education and Skills Development:**
Supporting education institutions and providing opportunities to deserving students (from marginalized sections of society) through various channels.

b. **Healthcare / Medical facilities:**
Ensure and promote a culture of healthy workforce by creating awareness and raising consciousness among people.

c. **Social and Economic Welfare:**
Support the cause of building social institutions by advancing financial grant towards construction of houses, girl marriage, and other social essentialities to the underserved.

d. **Environmental Sustainability:**
Raise consciousness towards building a healthy environment among the stakeholders and community at large.

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: http://www.sreiequipment.com/Corporate_Social_Responsibility_Policy.pdf.

The details of the CSR activities undertaken at Srei Equipment Finance Limited can be accessed at: http://www.sreiequipment.com/csr/what-do-we-do.

2. **The Composition of the CSR Committee**

Committee Members:
- Mr. Hemant Kanoria, Chairman (Chairman)
- Mr. Sunil Kanoria, Vice Chairman
- Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director

Secretary to the CSR Committee:
- Ms. Ritu Bhojak

3. **Average net profit of the company for last three financial years**
Rs. 2,57,09,23,787/-

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**
Rs. 5,14,18,476/-

5. **Details of CSR spent during the financial year**
   a. **Total amount to be spent for the Financial Year:** The Company has spent Rs. 5,25,21,000/- against the mandated requirement of Rs. 5,14,18,476/-

   b. **Amount unspent, if any:** Nil

   c. **Manner in which the amount spent during the financial year is detailed below:**

(Amount in Rs.)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period*	Amount spent: Direct or through implementing agency
1.	Promoting Education, Enhancing vocational skills, Promoting health and culture including women empowerment	Cl.(i) Promoting Healthcare Cl.(ii) Promoting Education; Cl.(iii) Empowering Women	Local areas in and around West Bengal, Rajasthan, Bihar and Chennai	3,85,00,000	3,85,00,000	10,60,00,000	Srei Foundation**
2.	S.V.S Marwari Hospital	Cl.(i) Promoting Healthcare	Kolkata, West Bengal	21,000	21,000	99,000	Direct
3.	Acid Survivors Foundation India	Cl.(i) Promoting Healthcare	Kolkata, West Bengal	20,00,000	20,00,000	45,00,000	Direct
4.	Promoting Education	Cl.(ii) Promoting Education	Kolkata, West Bengal	1,00,00,000	1,00,00,000	1,95,08,000	IISD Edu World #
5.	Shri Ramakrishna Math	Cl.(ii) Promoting Education	Kolkata, West Bengal	1,00,000	1,00,000	1,00,000	Direct
6.	Indian Institute of Cerebral Palsy	Cl.(ii) Promoting Education	Kolkata, West Bengal	8,00,000	8,00,000	40,00,000	Direct
7.	Indian Mother & Child Care	Cl.(ii) Promoting	Kolkata, West Bengal	1,00,000	1,00,000	1,00,000	Direct

(Amount in Rs.)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period*	Amount spent: Direct or through implementing agency
		Education					
8.	Khushii-Kinship for Humanitarian Social and Holistic Intervention	Cl.(ii) Promoting Education	New Delhi	5,00,000	5,00,000	5,00,000	Direct
9.	Sri Chandrasekara Rural Development Trust	Cl.(ii) Promoting Education	Chennai	5,00,000	5,00,000	5,00,000	Direct
	TOTAL			5,25,21,000	5,25,21,000	**13,53,07,000**	

*Considering the expenditure during the previous financial years, the cumulative expenditure upto the reporting period is Rs. 14,61,88,000.

**Srei Foundation is a Public Charitable Trust established with an objective of serving the humanity inter-alia through promotion of education, health, housing, socio-economic support and awakening of women, free holistic treatment and assistance to various NGOs in their respective fields. Srei Foundation has an established track record of more than 3 (three) years in undertaking such projects and programs.

#IISD Edu World, is an institute formed with the object of imparting, promoting and spreading education for underprivileged children and weaker sections of the society. IISD Edu World has an established track record of more than 3 (three) years in undertaking such projects and programs.

6. Reasons for not spending the two per cent of the average net profit of the last three financial years

Not applicable

7. Responsibility statement of the CSR Committee

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of Corporate Social Responsibility Committee

Sd/-
Sunil Kanoria
DIN: 00421564
Chairman*

Sd/-
Devendra Kumar Vyas
DIN: 00651362
Managing Director

Place: Kolkata
Date: May 17, 2019

*Chairman of the meeting held on May 17, 2019.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	**U70101WB2006PLC109898**
ii.	Registration Date	13th June, 2006
iii.	Name of the Company	Srei Equipment Finance Limited
iv.	Category / Sub-Category of the Company	Public Company limited by Shares
v.	Address of the Registered office and contact details	"Vishwakarma", 86C, Topsia Road (South), Kolkata 700-046 Email: sefpl@srei.com Telephone no: 91-33 -6160 -7734 Fax no : 91-33-2285-7542
vi.	Whether listed company (Yes / No)	Yes (Debt securities)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	a) For Equity shares and Public Issue of Non-Convertible Debentures of the Company: Karvy Fintech Private Limited (erstwhile Karvy Computershare Private Limited) Karvy Selenium, Tower- B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, 500032 Email: einward.ris@karvy.com Tel: 040-67161500 / 2222, 1800-345-4001 Fax no: 040-23420814 b) For Non-Convertible Debentures issued on Private Placement basis: S. K. Infosolutions Private Limited 34/1A Sudhir Chatterjee Road Kolkata - 700 006 Tel : +91-33-2219 4815 Fax: +91-33-2219 4815 E-Mail: skcdilip@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:-

Sl. No	Name and Description of main Products / Services	NIC Code of the Product/ service*	% to total turnover of the Company**
1.	Other financial service activities, except in insurance and pension funding activities	649	99.5

**As per National Industrial Classification – 2008: Ministry of Statistics and Programme Implementation*
*** Represents total income*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shareholding	Applicable Section
1	Srei Infrastructure Finance Limited (SIFL) 'Vishwakarma', 86C Topsia Road (South), Kolkata - 700 046	L29219WB1985PLC055 352	Holding	100*	2(46)

**Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Sanjeev Sancheti, Mr. Shashi Bhushan Tiwari, Mr. Ganesh Prasad Bagree and Mr. Sandeep Lakhotia hold 1 (one) equity share each as nominees of SIFL.*

Your Company does not have any subsidiary/associates/joint venture company as on March 31, 2019.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares**	Demat	Physical	Total	% of Total Shares**	
A. Promoters **(1) Indian**									
a) Individual / HUF	6*	-	6	0	6	-	6	0	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	59659994	-	59659994	100.00	59659994	-	59659994	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**59659994**	-	**59660000**	**100.00**	**59660000**	-	**59660000**	**100.00**	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**59659994**	-	**59660000**	**100.00**	**59660000**	-	**59660000**	**100.00**	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-

i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**59660000**	-	**59660000**	**100.00**	**59660000**	-	**59660000**	**100.00**	-

** Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Sanjeev Sancheti, Mr. Shashi Bhushan Tiwari, Mr. Ganesh Prasad Bagree and Mr. Sandeep Lakhotia hold 1 (one) equity share each as nominees of Srei Infrastructure Finance Limited (SIFL).*

**Figure rounded off

ii) Shareholding of Promoters

Sl No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			
		No. of Shares	**% of total Shares of the company**	**% of Shares Pledged / encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**% of Shares Pledged / Encumbered to total shares**	**% change in share holding during the year**
1	Srei Infrastructure Finance Limited (SIFL)	5,96,60,000*	100.00	0	5,96,60,000*	100.00	0	0
	Total	**5,96,60,000***	**100.00**	**0**	**5,96,60,000***	**100.00**	**0**	**0**

*1 (One) share each held by the 6 (Six) nominees of SIFL

iii) Change in Promoters' Shareholding

Sl No.	**Name**	**Shareholding at the beginning of the year (as on 01.04.2018)**		**Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	**Srei Infrastructure Finance Limited (SIFL) (Promoter)**				
	At the beginning of the year	5,96,60,000*	100.00	5,96,60,000	100.00
	Date wise increase/decrease in Promoters' Shareholding during the year specifying the reasons for increase/decrease	No Change during the year			

Sl No.	Name	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year	5,96,60,000	100.00	5,96,60,000	100.00

*6 (Six) shares each held by nominees of SIFL

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sanjeev Sancheti*	1	Negligible	1	Negligible
2.	Shashi Bhushan Tiwari*	1	Negligible	1	Negligible
3.	Ganesh Prasad Bagree*	1	Negligible	1	Negligible
4.	Sandeep Lakhotia*	1	Negligible	1	Negligible

*As a nominee of Srei Infrastructure Finance Limited (SIFL)

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1.	**Mr. Hemant Kanoria**				
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	1	Negligible	1	Negligible
2.	**Mr. Sunil Kanoria**				
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	1	Negligible	1	Negligible
3.	**Mr. Devendra Kumar Vyas***				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
4.	**Mr. Shyamalendu Chatterjee**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	**Ms. Supriya Prakash Sen**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
6.	**Mr. Suresh Kumar Jain**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
7.	**Mr. Ashwani Kumar****				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
	Key Managerial Personnel				
1.	**Mr. Hemant Kanoria – Chairman*****				
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	1	Negligible	1	Negligible
2.	**Mr. Sunil Kanoria – Vice Chairman**				
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	1	Negligible	1	Negligible
3.	**Mr. Devendra Kumar Vyas – Managing Director***				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
4.	**Mr. Manoj Kumar Beriwala - Chief Financial Officer**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
5.	**Mr. Ritu Bhojak - Company Secretary**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
6.	**Mr. Debashis Ghosh - Chief Internal Auditor#**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	**Mr. Indranil Sengupta - Chief Risk Officer#**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
8.	**Mr. Rajdeep Khullar - Group Head, Litigation#**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
9.	**Mr. Pulak Bagchi - Group Head, Corporate Legal#**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
10.	**Mr. Pavan Trivedi - Chief of Operations##**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-

* Appointed as Managing Director w.e.f. 01.02.2019

** Appointed as an Additional Director (Category – Non Executive and Independent) w.e.f. 01.02.2019

*** Re-designated and appointed as Chairman w.e.f. 01.03.2019

Appointed as KMP w.e.f 24.04.2018

Appointed as KMP w.e.f 01.02.2019

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount (Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount*	1,532,478	422,214	-	1,954,693
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,935	6,270	-	16,205
Total (i+ii+iii)	1,542,414	428,484	-	1,970,898
Change in Indebtedness during the financial year**				
Addition	319,035	-	-	319,035
Reduction		(170,474)		(170,474)
Net Change	319,035	(170,474)	-	148,561
Indebtedness at the end of the financial year				
i) Principal Amount	1,846,915	249,834	-	2,096,749
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14,534	8,176	-	22,709

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Total (i+ii+iii)	1,861,449	258,010	-	2,119,458

* Includes adjustment of effective interest rate and accrued interest with maturity beyond twelve months in accordance with IndAS 109

** Change in indebtedness during the year is net of fresh addition and repayment

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Mr. Hemant Kanoria (Chairman)*	Mr. Sunil Kanoria (Vice Chairman)	Mr. Devendra Kumar Vyas (Managing Director)**	Total amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,56,20,296	6,77,79,552	3,80,68,807	17,14,68,655
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify	2,63,49,000 (inclusive in 1)	2,63,49,000 (inclusive in 1)	-	5,26,98,000 (inclusive in 1)
5.	Others, please specify	-	-	-	-
	Total (A)	6,56,20,296	6,77,79,552	3,80,68,807	17,14,68,655
	Ceiling as per the Act	The remuneration is within the limits prescribed under the Companies Act, 2013			

* Re-designated and appointed as Chairman w.e.f. 01.03.2019

** Appointed as Managing Director w.e.f. 01.02.2019

B. Remuneration to other Directors

Amount (Rs.)

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	**Independent Directors**					
		Mr. Shyamalendu Chatterjee	**Ms. Supriya Prakash Sen**	**Mr. Suresh Kumar Jain**	**Mr. Ashwani Kumar***	
	Fee for attending Board and Committee Meetings	15,10,000	9,50,000	5,45,000	2,25,000	32,30,000
	Others, please specify					
	Total (B)	15,10,000	9,50,000	5,45,000	2,25,000	32,30,000
	Total Managerial Remuneration#	17,14,68,655				
	Overall Ceiling as per the Act	The remuneration is within the limits prescribed under the Companies Act, 2013				

#Exclusive of sitting fees

* Appointed as an Additional Director (Category – Non Executive and Independent) w.e.f. 01.02.2019

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Amount (Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel							
		Chief Financial Officer	Company Secretary	Chief Internal Auditor*	Chief Risk Officer*	Group Head – Litigation*	Group Head - Corporate Legal*	Chief of Operations**	Total Amount
		Mr. Manoj Kumar Beriwala	Ms. Ritu Bhojak	Mr. Debashis Ghosh	Mr. Indranil Sengupta	Mr. Rajdeep Khullar	Mr. Pulak Bagchi	Mr. Pavan Trivedi	
1.	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	79,08,547	40,78,325	78,97,084	2,03,79,450	96,15,009	88,96,565	1, 06,84,978	6,94,59,958
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	32,400	32,400	32,400	-	32,400	39,600	32,400	2,01,600
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-
4.	Commission as a % of Profit	-	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-	-
	Total (C)	79,40,947	41,10,725	79,29,484	2,03,79,450	96,47,409	89,36,165	1,07,17,378	6,96,61,558

*Appointed as KMP w.e.f 24.04.2018
**Appointed as KMP w.e.f 01.02.2019

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Place: Kolkata
Date: May 17, 2019

Sd/-
Sunil Kanoria
DIN: 00421564
Vice Chairman

Sd/-
Devendra Kumar Vyas
DIN: 00651362
Managing Director

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

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

Sl. No.	Name of the Directors	Remuneration (Rs.)	Median Remuneration of employees (Rs.)	Ratio (In times)
1.	Mr. Hemant Kanoria	7,56,57,866	4,74,782	159.35x
2.	Mr. Sunil Kanoria	7,61,45,374		160.37x
3.	Mr. Devendra Kumar Vyas*	4,01,81,720		84.63x
4.	Mr. Shyamalendu Chatterjee	15,10,000		3.18x
5.	Ms. Supriya Prakash Sen	9,50,000		2.00x
6.	Mr. Suresh Kumar Jain	5,45,000		1.14x
7.	Mr. Ashwani Kumar#	2,25,000		0.47x

*Appointed as Managing Director w.e.f. 01.02.2019

Appointed as an Additional Director (Category – Non Executive and Independent) w.e.f. 01.02.2019

Note:
(a) Remuneration includes sitting fees

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

Sl. No.	Name	Designation	Remuneration of previous year (Rs.)	Remuneration of Current year (Rs.)	% increase
1.	Mr. Hemant Kanoria	Chairman *	6,78,45,509	7,56,57,866	11.51
2.	Mr. Sunil Kanoria	Vice Chairman	6,84,56,175	7,61,45,374	11.23
3.	Mr. Devendra Kumar Vyas	Managing Director**	3,24,67,145	4,01,81,720	23.76
4.	Mr. Shyamalendu Chatterjee	Independent Directors	13,85,000	15,10,000	9.03
5.	Ms. Supriya Prakash Sen		3,70,000	9,50,000	156.76
6.	Mr. Suresh Kumar Jain		1,00,000	5,45,000	445
7.	Mr. Ashwani Kumar#		N.A.	2,25,000	N.A.
8.	Mr. Manoj Kumar Beriwala	Chief Financial Officer	75,60,308	80,03,760	5.87
9.	Ms. Ritu Bhojak	Company Secretary	13,55,145##	43,99,610	10.30

* Re-designated and appointed as Chairman w.e.f. 01.03.2019

** Appointed as Managing Director w.e.f. 01.02.2019

#Appointed as an Additional Director (Category – Non Executive and Independent) w.e.f. 01.02.2019

##employed for part of the year

Note:
(a) Remuneration includes sitting fees
(b)The remuneration of the Key Managerial Personnel (KMPs) is linked to the market and is commensurate with their diverse responsibilities and experience.

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

Median remuneration of previous year (Rs.)	Median remuneration of current year (Rs.)	% increase
4,30,600	4,74,782	10.26

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

There were 1763 employees as on 31st March, 2019.

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	13.59
2.	Increase in salary of employee (other than Managerial Personnel)	11.67

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

Yes it is confirmed.

For and on behalf of Board of Directors

Sd/-
Sunil Kanoria
DIN: 00421564
Vice Chairman

Sd/-
Devendra Kumar Vyas
DIN: 00651362
Managing Director

Place: Kolkata
Date: May 17, 2019

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, 2019

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

Sl. No.	Name	Designation	Remuneration Received [Rs.]	Qualification	Exper-ience in years	Age in years	Date of commence-ment of employment	Last employ-ment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1.	Mr. Hemant Kanoria	Chairman	7,56,57,866	B. Com (Hons)	39	56	02.04.2008	-	*Negligible
2.	Mr. Sunil Kanoria	Vice Chairman	7,61,45,374	B. Com (Hons), CA	34	54	02.04.2008	-	*Negligible
3.	Mr. Devendra Kumar Vyas	Managing Director	4,01,81,720	B. Com, CA	27	50	01.04.1997	G P Agrawal & Co.,Chartered Accountants (Partner)	NIL
4.	Mr. Indranil Sengupta	Chief Risk Officer	2,13,14,328	B. Com, CAIIB	34	57	01.04.2014	BNP Paribas, Bahrain (Director & Senior Banker, Corporate & Investment Banking)	NIL
5.	Mr. Somnath Bhattacharjee	President	1,33,41,208	BE – Mechanical	34	56	09.12.2016	TIL Limited (President & CEO)	NIL
6.	Mr. Pavan Trivedi	Chief of Operations	1,16,04,906	CA , ICWA	22	48	09.05.2016	Usha Martin Ltd (President)	NIL
7.	Mr. Nitin Chaturvedi **	Head - Liability & Treasury Management	1,15,78,291	MBA, CA	17	41	31.03.2018	Millennium Capital Management (Portfolio Manager)	NIL
8.	Mr. Pradip Agarwal**	Senior Vice President - Treasury Front Office(DCM , Syndication & Structuring)	1,08,61,282	B. Com , CA	19	42	25.06.2018	J P Morgan (Vice President - Fixed Income & Structured Finance)	NIL

Sl. No.	Name	Designation	Remuneration Received [Rs.]	Qualification	Exper-ience in years	Age in years	Date of commence-ment of employment	Last employ-ment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
9.	Mr. Shamik Roy	Head - SPG	1,08,26,916	PGDM&S, LLB, Master in Financial Management	33	58	01.04.2016	Punj Llloyd Group (President)	NIL
10.	Mr. Ramana Venkat Vallabhajoysula	Head - Asset Finance	1,04,02,065	PGDBM, CFA	18	46	01.10.2003	GE Capital CEF	NIL
11.	Mr. Pulak Bagchi	Group Head - Corporate Legal	97,44,156	B.Com, LLB, CA - Inter	20	46	03.07.2017	Star India Private Limited (Senior Vice President - Legal & Regulatory)	NIL
12.	Mr. Prakash Chand Patni **	Head - Resource Mobilisation	58,82,764	B. Com (Hons), CA	36	60	01-10-1996	Aketa Limited (Senior Manager)	NIL

*Holds 1 Equity Share each of Rs.10/- fully paid-up as nominee of Srei Infrastructure Finance Limited

** Employed for part of the year

Notes:

(a) Remuneration includes Basic Salary, HRA, Special Allowance, Super Annuation Allowance, Commission, Ex-gratia, 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.

(c) No employee is a relative of any Director except Mr. Hemant Kanoria (Chairman) who is brother of Mr. Sunil Kanoria (Vice Chairman).

For and on behalf of Board of Directors

Sd/-
Sunil Kanoria
DIN: 00421564
Vice Chairman

Sd/-
Devendra Kumar Vyas
DIN: 00651362
Managing Director

Place: Kolkata
Date: May 17, 2019

Deloitte Haskins & Sells

Chartered Accountants
13th & 14th Floor
Building – Omega
Bengal Intelligent Park
Block – EP & GP, Sector – V
Salt Lake Electronics Complex
Kolkata – 700 091
West Bengal, India

Tel: +91 33 6612 1000
Fax: +91 33 6612 1001

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
SREI EQUIPMENT FINANCE LIMITED

1. We have audited the accompanying Statement of Financial Results of **Srei Equipment Finance Limited** ("the Company"), for the year ended 31 March, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 in continuation to circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 in continuation to circular CIR/CFD/FAC/62/2016 dated July 5, 2016; and;

   (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended March 31, 2019.

5. The Statement includes the results for the half year ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to half year of the current financial year which were subject to limited review by us.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)

Sd/-
Shrenik Baid
Partner
(Membership No. 103884)

New Delhi May 17, 2019

Deloitte
Haskins & Sells

Chartered Accountants
13th & 14th Floor
Building – Omega
Bengal Intelligent Park
Block – EP & GP, Sector – V
Salt Lake Electronics Complex
Kolkata – 700 091
West Bengal, India

Tel: +91 33 6612 1000
Fax: +91 33 6612 1001

INDEPENDENT AUDITOR'S REPORT
To The Members of SREI Equipment Finance Limited
Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **SREI Equipment Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the 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 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Impairment loss allowance of loans to customers Recognition and measurement of impairment of loans involve significant management judgement. Credit loss assessment under Ind AS 109 is based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Loan staging criteria - Calculation of probability of default / Loss given default As detailed in accounting policy, the determination of loan impairment provisions is inherently judgmental and relies on managements' best estimate of a variety of inputs. Given the size of loan book relative to the balance sheet and the impact of impairment provision on the books, we have considered this as a key audit matter.	**Principle audit procedures performed:** Our audit approach consist of the test of design and operating effectiveness of internal controls and substantive testing as follows: • Obtained an understanding of management's new / revised processes, systems and controls implemented in relation to impairment allowance process. • Evaluated the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. This also include management review controls over model development and measurement of impairment allowances and disclosures. • The loan impairment methodology was evaluated to confirm it was consistent with the Ind AS 109 requirements and then confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. • Tested the accuracy of key inputs used in the calculation and independently evaluated the reasonableness of the assumptions made. • For loss allowances, the appropriateness of provisioning methodologies and policies was independently assessed for a sample of loans across the portfolio selected. An independent view was formed on the levels of provisions based on the detailed loan and counterparty information available. This also includes review of Specific Provision Review Committee minutes and discussion with the senior management including the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Chief Credit Officer.

<table>
<tr><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>Fair Valuation of Claims Receivables:

Claims Receivables amounts to INR 21,022 Lakhs as at 31 March 2019 and has been recognized as financial assets measured at Fair Value through Profit and Loss in the Company's financial statements.

Refer note 9 to the financial statements.

Determination of fair value and recoverability of the Claims Receivables has been identified as a Key Audit Matter as the same is based on unobservable inputs and subjective assumptions.</td><td>Principle audit procedures performed:

Our audit approach consist of the test of design and operating effectiveness of internal controls and substantive testing as follows:

• Obtaining audit evidence in respect of key controls over the management judgments and the assumptions-setting processes including judgments regarding expected realization date and value.
• Assessing the underlying legal due diligence reports, examining the underlying agreements and assessing the progress of the claims during the period.
• Obtaining independent confirmation from lawyers regarding the legal status of the underlying claims and opinion regarding their assessment on the recoverability of the claims.
• Evaluating the competencies, capabilities and objectivity of the external legal counsels.</td></tr>
<tr><td>Key Information technology (IT) systems which impact financial reporting process:

The IT systems within the Company form a critical component of the Company's financial reporting activities and impact all account balances. Certain key operational and financial processes of the Company like origination of Loans, revenue recognition etc. are highly dependent on IT systems due to large volume of transactions that are processed daily.

IT controls, in the context of our scope for the financial audit, primarily relate to access security and change control. The purpose of such controls is to prevent inappropriate changes being mad e to IT systems in relation to application functionality, transactional processing and direct changes to underlying data.</td><td>Principle audit procedures performed:

We involved our IT specialists to obtain an understanding of the entity's IT related control environment. Furthermore, we conducted a risk assessment and identified IT applications, databases and operating systems that are relevant to our audit.

For the key IT systems relevant to financial reporting, our areas of audit focus included Access Security (including controls over privileged access) and Program Change controls. In particular:

• We identified the IT risks for each IT system based on our understanding of the flows of transactions and the IT environment.
• We determined whether each general IT control, individually or in combination with other controls, is appropriately designed to address the associated IT risk.
• We tested the design, implementation and operating effectiveness of the relevant general IT controls.</td></tr>
</table>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 control 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 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in the *"Key Audit Matters"* section of our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   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, as amended, 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 financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

Sd/-
Shrenik Baid
Partner
(Membership No. 103884)

New Delhi, 17 May 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SREI EQUIPMENT FINANCE LIMITED** ("the Company") as of 31 March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

Sd/-
Shrenik Baid
Partner
(Membership Number: 103884)

New Delhi, 17 May 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets 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 the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court order provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and it did not have any unclaimed deposits at the beginning of the year. Hence reporting under clause (v) of the CARO 2016 is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, and Value Added Tax which have not been deposited as on 31 March, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. In lakhs)
Finance Act, 1994	Service Tax	Commissioner of Service Tax	2002-03 to 2014-15	2,028^
Central Sales Tax and VAT Laws	Central Sales Tax and VAT	At various level from Commissioner to High Court	Various years from 2008-09 to 2017-18	1,522#
The Income tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	2011-12 to 2013-14	6,531$

^ Net of Rs. 300 Lakhs paid under protest
# Net of Rs. 13 Lakhs paid under protest
$ Net of Rs. 849 Lakhs paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of public offer of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

Sd/-

Shrenik Baid
Partner
(Membership Number: 103884)

New Delhi, 17 May, 2019

SREI EQUIPMENT FINANCE LIMITED
Balance sheet as at March 31st, 2019

(₹ in Lakhs)

	Particulars	Note No.	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
	ASSETS				
(1)	**Financial assets**				
(a)	Cash and cash equivalents	3	21,624	2,529	7,183
(b)	Bank Balance other than (a) above	4	1,57,472	80,250	32,560
(c)	Derivative financial instruments	5	5,717	3,864	7,406
(d)	Receivables				
	i) Trade receivables	6	10,664	11,284	5,579
(e)	Loans	7	18,61,487	17,60,686	12,44,718
(f)	Investments	8	10,341	11,194	10,430
(g)	Other financial assets	9	49,773	54,190	41,752
(2)	**Non-financial assets**				
(a)	Current tax assets (Net)	10	-	5,228	488
(b)	Property, Plant and Equipment	12	4,51,238	4,43,875	2,31,306
(c)	Other Intangible assets	13	535	1,115	2,374
(d)	Other non-financial assets	11	91,623	1,06,297	92,508
	Total Assets		26,60,474	24,80,512	16,76,304
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments	5	5,302	4,395	4,322
(b)	Payables				
	(I)Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises	14(i)	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14(ii)	1,71,437	1,78,320	1,06,288
(c)	Debt Securities	15	1,84,735	1,21,292	97,779
(d)	Borrowings (Other than Debt Securities)	16	17,28,634	16,50,599	10,32,738
(e)	Subordinated Liabilities	17	1,83,380	1,82,801	1,58,393
(f)	Other financial liabilities	18	63,865	52,696	33,875
2	**Non-Financial Liabilities**				
(a)	Current Tax Liabilities (Net)	19	93	-	-
(b)	Provisions	20	1,373	1,292	2,016
(c)	Deferred tax liabilities (Net)	21	18,490	17,845	7,680
(d)	Other non-financial liabilities	22	12,731	12,139	3,939
3	**EQUITY**				
(a)	Equity Share capital	23	5,966	5,966	5,966
(b)	Other Equity	24	2,84,468	2,53,167	2,23,308
	Total Liabilities and Equity		26,60,474	24,80,512	16,76,304

Summary of Significant Accounting Policies	2
The accompanying notes are an integral part of the financial statements.	3 to 45

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Shrenik Baid
Partner

Place : New Delhi
Date: 17th May, 2019

On behalf of the Board of Directors

Sd/-
Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Sd/-
Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place : Kolkata
Date: 17th May, 2019

SREI EQUIPMENT FINANCE LIMITED
Statement of Profit and Loss for the year ended March 31st, 2019

(All amount in ₹ Lakhs, unless otherwise stated)

	Particulars	Note	Year ended March 31st, 2019	Year ended March 31st, 2018
(I)	**Revenue from operations**			
	Interest Income	25	2,78,002	2,20,723
	Rental Income		1,27,435	87,242
	Fees and commission Income		4,632	8,618
	Net gain on fair value changes	26	5,977	881
	Net gain on derecognition of financial instruments under amortised cost category		7,331	13,378
	Others	27	16,908	16,504
	Total Revenue from operations (I)		**4,40,285**	**3,47,346**
(II)	**Other Income**	28	**(3,601)**	**(3,325)**
(III)	**Total Income (I+II)**		**4,36,684**	**3,44,021**
(IV)	**Expenses**			
	Finance Costs	29	2,14,861	1,62,210
	Fees and commission expense		2,722	3,291
	Net loss on fair value changes	26	3,400	3,630
	Net loss on derecognition of financial instruments under amortised cost category		14,939	10,845
	Impairment on financial instruments	30	30,435	13,614
	Loss/write-off on assets held for sale		7,544	9,680
	Employee Benefits Expenses	31	20,238	19,712
	Depreciation, amortisation and impairment	12&13	76,510	57,967
	Other expenses	32	20,362	18,847
	Total Expenses (IV)		**3,91,011**	**2,99,796**
(V)	**Profit before tax (III- IV)**		**45,673**	**44,225**
(VI)	**Tax Expense:**			
	(1) Current Tax		15,072	8,179
	(2) Mat Credit Entitlement		-	(2,843)
	(3) Deferred Tax		(37)	9,303
(VII)	**Profit for the year (V-VI)**		**30,638**	**29,586**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		(11)	806
	(b) Income tax relating to items that will not be reclassified to profit or los:		4	(278)
	SUBTOTAL (a+b)		**(7)**	**528**
	B (i) Items that will be reclassified to profit or loss			
	(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge;		(643)	-
	(b) Gains on fair valuation of loans		6,290	4,616
	(c) Income tax relating to items that will be reclassified to profit or los:		(1,973)	(1,613)
	SUBTOTAL (a+b+c)		**3,674**	**3,003**
	Other Comprehensive Income [A + B]		**3,667**	**3,531**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**34,305**	**33,117**
(X)	**Earnings per equity share (Face value of ₹ 10/- each)**	33		
	Basic (₹)		**51.35**	**49.59**
	Diluted (₹)		**51.35**	**49.59**

Summary of Significant Accounting Policies — 2
The accompanying notes are an integral part of the financial statements. — 3 to 45

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Shrenik Baid
Partner

Place : New Delhi
Date: 17th May, 2019

On behalf of the Board of Directors

Sd/-
Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Sd/-
Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place : Kolkata
Date: 17th May, 2019

SREI EQUIPMENT FINANCE LIMITED
Statement of Cash Flows for the year ended March 31st, 2019

(₹ in Lakhs)

	Year ended March 31st, 2019	Year ended March 31st, 2018
A. Cash Flows from Operating Activities		
Profit Before Tax	45,673	44,225
Adjustment for :		
Depreciation, amortization and Impairment expenses	76,510	57,967
Impairment on financial instruments	30,435	13,614
Net loss on derecognition of financial instruments under amortised cost category	14,939	10,845
Loss/write-off on assets held for sale	7,544	9,680
Loss on sale of property, plant and equipment	813	903
Liabilities no longer required written back	(5,110)	(3,024)
Finance costs	2,14,861	1,62,210
Net unrealised loss on foreign currency transaction and translation	3,636	2,355
Net unrealised fair value (gain)/loss	(2,723)	2,542
Operating profit before working capital changes	**3,86,578**	**3,01,317**
Changes in working capital :		
Increase in Trade Receivables and Others assets	(9,031)	(54,022)
Increase in Loans	(1,27,923)	(5,31,140)
Decrease in Trade Payables and Others liabilities	2,911	1,00,316
Increase in Fixed Deposit (Deposits with original maturity period of more than three months)	(77,222)	(47,690)
Cash generated/(used) in operations	**1,75,313**	**(2,31,219)**
Interest paid (net of foreign exchange fluctuation)	(2,08,357)	(1,60,367)
Advance taxes paid (including Tax deducted at Source)	(5,852)	(9,376)
Net Cash used in Operating Activities	(38,896)	(4,00,962)
B. Cash flows from Investing Activities		
Purchase of property, plant and equipment	(1,02,139)	(2,70,247)
Sale / (Purchase) of investments (net)	1,099	(96)
Proceeds from Sale of property, plant and equipment	20,612	3,224
Net Cash used in Investing Activities	(80,428)	(2,67,119)
C. Cash Flows from Financing Activities		
Proceeds from issuance of Debt securities (including subordinated debt securities)	1,16,381	87,113
Repayment on redemption of Debt securities (including subordinated debt securities)	(50,702)	(20,874)
Increase / (Decrease) in Working Capital facilities (net)	(1,59,697)	3,80,384
Increase in Other Borrowings (net)	2,32,439	2,16,804
Net Cash generated from Financing Activities	**1,38,419**	**6,63,427**
Net Increase / (Decrease) in Cash and Cash Equivalents	19,095	(4,654)
Cash & Cash Equivalents at the beginning of the year	2,529	7,183
Cash and Cash Equivalents at the end of the year (refer note 3)	**21,624**	**2,529**
Note .		
Components of Cash and Cash Equivalents:		
Cash on hand	307	635
In Current Account	21,317	1,894
	21,624	**2,529**
Cash and Bank Balance are represented by :		
Cash and Cash Equivalents	21,624	2,529
Other Bank Balances	1,57,472	80,250
	1,79,096	**82,779**

Summary of Significant Accounting Policies — 2
The accompanying notes are an integral part of the financial statements. — 3 to 45

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

On behalf of the Board of Directors

Sd/-
Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Sd/-
Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Shrenik Baid
Partner

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place : New Delhi
Date: 17th May, 2019

Place : Kolkata
Date: 17th May, 2019

SREI EQUIPMENT FINANCE LIMITED
Statement of Changes in Equity for the year ended as at March 31st, 2019

a. Equity Share Capital

(₹ in Lakhs)

Balance as at April 1st, 2017	Issued during the year	Reductions during the year	Balance as at March 31st, 2018	Issued during the year	Reductions during the year	Balance as at March 31st, 2019
5,966	-	-	5,966	-	-	5,966

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus						Effective portion of Cash Flow Hedges	Fair valuation of loans through other comprehensive income	Total
	Special reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Capital Reserve	Securities Premium	Debt redemption reserve	Income Tax Special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Retained Earnings			
Balance as at the April 1st, 2017	28,306	31	1,03,980	58,600	10,558	18,575	-	3,256	2,23,306
Profit after tax for the year	-	-	-	-	-	29,586	-		29,586
Other comprehensive income transferred from Statement of Profit and Loss	-	-	-	-	-	528	-	3,003	3,531
Reclassified to Statement of Profit and Loss	-	-	-	-	-	-	-	(3,256)	(3,256)
Transfer from retained earnings	5,270*	-	-	-	2,999	(8,269)	-	-	-
Balance as at March 31st, 2018	**33,576**	**31**	**1,03,980**	**58,600**	**13,557**	**40,420**	**-**	**3,003**	**2,53,167**
Profit after tax for the year	-	-	-	-	-	30,638	-	-	30,638
Other comprehensive income transferred from Statement of Profit and Loss	-	-	-	-	-	(7)	(418)	4,092	3,667
Reclassified to Statement of Profit and Loss	-	-	-	-	-	-	-	(3,003)	(3,003)
Transfer from retained earnings	6,128	-	-	1,962	113	(8,203)	-	-	-
Balance as at March 31st, 2019	**39,704**	**31**	**1,03,980**	**60,562**	**13,670**	**62,848**	**(418)**	**4,092**	**2,84,468**

*Transfer of 20% of the profit after tax before re-measurement adjustments on transition to Ind AS, if any, to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934

Refer note 24 for nature and purpose of reserves

Summary of Significant Accounting Policies 2
The accompanying notes are an integral part of the financial statements. 3 to 45

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Shrenik Baid
Partner

Place : New Delhi
Date: 17th May, 2019

On behalf of the Board of Directors

Sd/-
Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Sd/-
Devendra Kumar Vyas
Managing Director
(DIN : 00653342)

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place : Kolkata
Date: 17th May, 2019

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

1. GENERAL INFORMATION

Srei Equipment Finance Limited, 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 addresses of its registered office and principal place of business are "Vishwakarma", 86C, Topsia Road (South), Kolkata- 700046. The Company had received a Certificate of Registration from the Reserve Bank of India ('RBI') on 3 September, 2008 to commence / carry on the business of Non-Banking Financial Company ('NBFC') without accepting public deposits, classified as Systemically Important NBFC (NBFC-NDSI). Subsequently, the Company has been issued a new certificate by the RBI dated 19th February, 2014 consequent to conversion from Private Limited Company to Public Limited Company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

In accordance with the notification issued by the MCA, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from 1st April, 2018 and the effective date of such transition is 1st April, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder (collectively referred to as "Previous GAAP").

Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Previous GAAP to Ind AS of shareholders' equity as at 31st March, 2018 and 1st April, 2017 and of the comprehensive income for the year ended 31st March 2018. Refer Note 2.22 for the details of first-time adoption exemptions availed by the Company and Note 37 for Reconciliation of Equity and Total Comprehensive Income for numbers reported under Previous GAAP to Ind AS.

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 financial statements require 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 2.23 Critical accounting judgement and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.
Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

The accounting policies for specific financial report items are disclosed in the respective notes. Other significant accounting policies and details of critical accounting assumptions and estimates are set out below.

2.2 Revenue recognition
Revenue is recognized 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 recognized in the Statement of Profit and Loss on an accrual basis as stated herein below:

(a) Income for financial assets other than those financial assets classified as at Fair value through profit and loss ("FVTPL") is recognized based on the effective interest rate method. Income from Credit Impaired Financial Assets is recognized on net basis i.e. after considering Impairment Loss Allowance.
(b) 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.
(c) Interest income on fixed deposits/margin money/pass through certificates is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
(d) 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.
(e) Referral income and others income is recognized when it becomes due under the term of relevant mutually agreed arrangement.
(f) Income from dividend is recognized 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.
(g) Revenue from sale of power is recognised to the extent of the Company's share of income of the 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.
(h) In case of assignment transactions, as the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is recorded as 'Interest retained on pools assigned' with corresponding gain recognized in the Statement of profit and loss.

2.3 Financial Instruments

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.

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 their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

2.3.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

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.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

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

Financial assets measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):

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

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 statement of profit and loss.

Effective Interest Rate (EIR) Method:

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

No Expected credit losses 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 lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The 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 derecognizes 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 recognized 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 recognizes a modification gain or loss in statement of profit and loss.

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

(B) Financial Liabilities and Equity Instruments:

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.

Financial Liabilities:

Financial Liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial Guarantee Contracts:
Financial guarantee contracts issued by the Company 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 statement of profit and loss.

Fair value:

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
  Level 3 - Unobservable inputs for the asset or liability.

2.4 Leasing

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

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 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 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 2.6 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.5 Foreign Currency Transactions

The financial statements are presented in Indian Rupee (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 other comprehensive income.

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 other comprehensive income..

2.6 Borrowing cost

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

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.

2.7 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 other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service is recognised in 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 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

2.8 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 financial 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 by the end of the reporting period.
MAT credit is recognized 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 recognized as an asset, the said asset is created by way of a credit to 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 substantially 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 year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9 Property, Plant and Equipment

Property, plant and equipment shown in the balance sheet are consists 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 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 sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

c) Depreciation

Depreciation of these assets commences when the assets are ready for their intended use It is recognized 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
Computers 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 recognized on a pro-rata basis.

2.10 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.

The following useful lives are used in the calculation of amortisation.

Software: 5 years*
*Software includes license amortized 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 statement of profit and loss when the asset is de-recognised.

2.11 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 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 statement of profit and loss.

2.12 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets

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

2.13 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 know amount of cash and which are subject to an insignificant change in value.

2.14 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision maker. The Chief Operating decision maker assess the financial performance and position of the Company and makes strategic decisions.

As the Company is primarily engaged in providing asset finance to customers in India, there are no separate reportable segments as per 'Ind AS 108'.

2.15 Earnings per share

Basic earnings per share are 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.

2.16 Debt Redemption Reserve ("DRR")

As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act, 2013 in case of NBFC registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required to be created in the case of privately placed debentures, however in case of public issue of Non-Convertible debentures (NCD) 'the adequacy' of DRR will be 25% of the value of debentures issued through public issue.

However, as a matter of prudence, the Company, as per the management's discretion, created DRR for redemption of privately placed subordinated debentures / loans qualifying for Tier I / Tier II Capital on a straight line basis over the tenure of the respective debenture / loans till 31st March, 2015. Thereafter from 1st April, 2015 in accordance with the aforesaid applicable rules, the Company has created DRR only for public issue of NCD's.

2.17 Assets held for sale

Repossessed assets and assets acquired in satisfaction of debt are classified as held for sale if their carrying amount are recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets are available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. 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 Offsetting Financial Instruments

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

2.19 Derivative financial instruments

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

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in 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 statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.20 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.

2.21 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 other comprehensive income and accumulated under the heading of 'cash flow hedge'. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss, and is included in the 'finance cost' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the periods when the hedged item affects 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 other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in 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 statement of profit and loss.

2.22 First Time Policy Choices

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2017 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below:

- De-recognition of financial assets and financial liabilities
  The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

- Classification of financial instruments
  The Company has determined the classification of instruments in amortised cost, FVTOCI and FVTPL based on the facts and circumstances that existed as of the transition date.

- Impairment of financial assets
  The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

- Deemed cost for property, plant and equipment and intangible assets

  The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1st April, 2017 measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date.

- Determining whether an arrangement contains a lease

  The Company has applied Appendix C of IndAS 17 "Determining whether an Arrangement contains a lease" to determine whether an arrangement existing at the date of transition date contains a lease on the basis of facts and circumstances existed at that date.

- Equity investments at FVTPL

  The Company has designated investment in equity shares at FVTPL on the basis of facts and circumstances that existed at the transition date.

2.23. Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- 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 period presented.

- 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 amortized cost or fair value through other comprehensive income that are derecognized 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.

- 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.

- Provisions other than expected credit loss 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.

- 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, the Company engages third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements, which involve various judgements and assumptions.

New standards and interpretations not yet adopted

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1 April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

Amendment to Ind AS 12 'Income Taxes':

The amendment clarifies that an entity shall recognize income tax consequences of dividends in statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1 April 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in statement of profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Ind AS 116 'Leases':

Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

3. Cash and cash equivalents:

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Cash in hand	307	635	742
Balances with Banks - in Current Account	21,317	1,894	6,441
Total	**21,624**	**2,529**	**7,183**

4. Other Bank Balances (₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Balance with Banks - in Fixed Deposit Accounts* (Including accrued interest for fixed deposits with maturity beyond twelve months.)	1,57,472	80,250	32,560
Total	**1,57,472**	**80,250**	**32,560**

* Includes balances with banks held as security against borrowings amounts to ₹ 35 lakhs (March 31st, 2018 : ₹ 33 lakhs, April 1st, 2017 : ₹ 33 lakhs), margin against Letter of credit/Bank guarantee amounting to ₹ 1,20,110 lakhs (March 31st, 2018 : ₹ 52,951 lakhs, April 1st, 2017: ₹ 14,074 lakhs) and cash collateral for securitisation of receivables amounting to ₹ 35,553 lakhs (March 31st, 2018 : ₹ 26,769 lakhs, April 1st, 2017: ₹ 18,352 lakhs).

5. Derivative financial Instruments

(₹ in Lakhs)

Particulars	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I									
(i)Currency derivatives:									
-Spot and forwards	18,628	8	1,036	52,266	646	706	48,866	1,094	1,743
-Currency swaps	2,45,228	5,533	3,505	1,91,139	511	3,624	62,011	2,550	2,556
-Options purchased	-	-	-	15,214	2,407	-	25,002	3,612	-
Subtotal (i)	**2,63,856**	**5,541**	**4,541**	**2,58,619**	**3,564**	**4,330**	**1,35,879**	**7,256**	**4,299**
(ii)Interest rate derivatives									
-Forward Rate Agreements and Interest Rate Swaps	-	176	761	-	300	65	-	150	23
Subtotal(ii)	**-**	**176**	**761**	**-**	**300**	**65**	**-**	**150**	**23**
Total Derivative Financial Instruments(i)+(ii)	**2,63,856**	**5,717**	**5,302**	**2,58,619**	**3,864**	**4,395**	**1,35,879**	**7,406**	**4,322**
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i)Fair value hedging:	-	-	-	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-	-	-	-
(ii)Cash flow hedging:									
- Currency derivatives	4,179	1	105	-	-	-	-	-	-
- Interest rate derivatives	-	-	538	-	-	-	-	-	-
Subtotal (ii)	**4,179**	**1**	**643**	-	-	-	-	-	-
Undesignated Derivatives (iii) *	2,59,677	5,716	4,659	2,58,619	3,864	4,395	1,35,879	7,406	4,322
Total Derivative Financial Instruments (i)+(ii)+(iii)	**2,63,856**	**5,717**	**5,302**	**2,58,619**	**3,864**	**4,395**	**1,35,879**	**7,406**	**4,322**

The Company's risk management strategy and how it is applied to manage risk are explained in Note 39.

* Under Ind AS 109, a hedging relationship only qualifies for hedge accounting if a number of restrictive criteria are satisfied, including appropriate designation and documentation of effectiveness at inception of the hedge. A hedging relationship will only qualify for hedge accounting at the date of adoption (being April 1st, 2018) if the hedging relationship has been fully designated and documented as effective in accordance with Ind AS 109 on or before the date of adoption and is of a type that qualifies for hedge accounting under Ind AS 109. Designation of a hedging relationship cannot be made retrospectively. Hence, all derivatives entered prior to April 1st, 2018 has been classified as undesignated derivative.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

5.1 The following table details the derivative financial instruments as held for hedging and risk management purpose (cash flow hedging) outstanding at the end of the reporting period

Outstanding Contracts	Notional amounts (₹ in lakhs)	Timing				Average Exchange Rate #
	As at March 31st, 2019	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	
Spot and forwards - USD	4,179	720	1,983	426	1,050	72.90

Average exchange rate includes forward premium charge.

Spots and Forwards

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward contract match that of the foreign currency liabilities (notional amount, repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward contracts are identical to the hedged risk components.

Interest Rate Swaps

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

6. Receivables:

(i) Trade Receivables # (₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
(a) Unsecured considered good	10,098	11,284	5,579
Less: Allowance for impairment loss allowance	393	-	-
	9,705	**11,284**	**5,579**
(b) Credit impaired	11,985	9,433	11,038
Less: Allowance for impairment loss allowance	11,026	9,433	11,038
	959	-	-
Total	**10,664**	**11,284**	**5,579**

Trade receivables include amount due in respect of operating leases only

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 for trade receivables 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.

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

Particulars	As at March 31st, 2019	As at March 31st, 2018
Balance at the beginning of the year	9,433	**11,038**
Charge in Statement of Profit and Loss	3,335	1,118
Utilized during the year	(1,349)	(2,723)
Balance at the end of the year	**11,419**	**9,433**

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

	As at March 31st, 2019		
Particulars	**Gross carrying amount**	**Allowance for credit loss**	**Net carrying amount**
Overdue till three months	10,098	393	9,705
Overdue between three to six months	202	186	16
Overdue between six months to one year	827	761	66
More than 1 year overdue	10,956	10,079	877
	22,083	**11,419**	**10,664**

	As at March 31st, 2018		
Particulars	**Gross carrying amount**	**Allowance for credit loss**	**Net carrying amount**
Overdue till three months	11,284	-	11,284
Overdue between three to six months	6	6	-
Overdue between six months to one year	58	58	-
More than 1 year overdue	9,369	9,369	-
	20,717	**9,433**	**11,284**

	As at April 1st, 2017		
Particulars	**Gross carrying amount**	**Allowance for credit loss**	**Net carrying amount**
Overdue till three months	5,062	-	5,062
Overdue between three to six months	517	-	517
Overdue between six months to one year	7	7	-
More than 1 year overdue	11,031	11,031	-
	16,617	**11,038**	**5,579**

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity is ₹ Nil (Previous year: ₹ Nil).

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

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

7. Loans

(₹ in Lakhs)

Particulars	As at March 31st, 2019					
	Amortised cost	At Fair Value				Total
		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)
Loans						
(A)						
(i) Term Loans	15,51,451	2,52,621	40,008	-	2,92,629	18,44,080
(ii) Leasing (Refer note 7.1)	75,381	-	-	-	-	75,381
Total (A) Gross	16,26,832	2,52,621	40,008	-	2,92,629	19,19,461
Less: Impairment loss allowance	57,974	-	-	-	-	57,974
Total (A) Net	15,68,858	2,52,621	40,008	-	2,92,629	18,61,487
(B)						
(i) Secured by tangible assets	15,33,301	2,52,621	40,008	-	2,92,629	18,25,930
(ii) Unsecured #	93,531	-	-	-	-	93,531
Total (B) Gross	16,26,832	2,52,621	40,008	-	2,92,629	19,19,461
Less: Impairment loss allowance	57,974	-	-	-	-	57,974
Total (B) Net	15,68,858	2,52,621	40,008	-	2,92,629	18,61,487
(C)						
In India						
(i) Public Sector	1,940	-	-	-	-	1,940
(ii) Others	16,24,892	2,52,621	40,008	-	2,92,629	19,17,521
Total (C) Gross	16,26,832	2,52,621	40,008	-	2,92,629	19,19,461
Less: Impairment loss allowance	57,974	-	-	-	-	57,974
Total (C) Net	15,68,858	2,52,621	40,008	-	2,92,629	18,61,487

Particulars	As at March 31st, 2018					
	Amortised cost	At Fair Value				Total
		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)
Loans						
(A)						
(i) Term Loans	12,57,767	4,79,162	35,571	-	5,14,733	17,72,500
(ii) Leasing (Refer note 7.1)	43,613	-	-	-	-	43,613
Total (A) Gross	13,01,380	4,79,162	35,571	-	5,14,733	18,16,113
Less: Impairment loss allowance	55,427	-	-	-	-	55,427
Total (A) Net	12,45,953	4,79,162	35,571	-	5,14,733	17,60,686
(B)						
(i) Secured by tangible assets	12,61,045	4,79,162	35,571	-	5,14,733	17,75,778
(ii) Unsecured #	40,335	-	-	-	-	40,335
Total (B) Gross	13,01,380	4,79,162	35,571	-	5,14,733	18,16,113
Less: Impairment loss allowance	55,427	-	-	-	-	55,427
Total (B) Net	12,45,953	4,79,162	35,571	-	5,14,733	17,60,686
(C)						
In India						
(i) Public Sector	19	-	-	-	-	19
(ii) Others	13,01,361	4,79,162	35,571	-	5,14,733	18,16,094
Total (C) Gross	13,01,380	4,79,162	35,571	-	5,14,733	18,16,113
Less: Impairment loss allowance	55,427	-	-	-	-	55,427
Total (C) Net	12,45,953	4,79,162	35,571	-	5,14,733	17,60,686

Particulars	As at April 1st, 2017					
	Amortised cost	At Fair Value				Total
		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)
Loans						
(A)						
(i) Term Loans	8,98,154	3,67,836	32,039	-	3,99,875	12,98,029
(ii) Leasing (Refer note 7.1)	895	-	-	-	-	895
Total (A) Gross	8,99,049	3,67,836	32,039	-	3,99,875	12,98,924
Less: Impairment loss allowance	54,206	-	-	-	-	54,206
Total (A) Net	8,44,843	3,67,836	32,039	-	3,99,875	12,44,718
(B)						
(i) Secured by tangible assets	8,99,049	3,67,836	32,039	-	3,99,875	12,98,924
(ii) Unsecured #	-	-	-	-	-	-
Total (B) Gross	8,99,049	3,67,836	32,039	-	3,99,875	12,98,924
Less: Impairment loss allowance	54,206	-	-	-	-	54,206
Total (B) Net	8,44,843	3,67,836	32,039	-	3,99,875	12,44,718
(C)						
In India						
(i) Public Sector	1,383	-	-	-	-	1,383
(ii) Others	8,97,666	3,67,836	32,039	-	3,99,875	12,97,541
Total (C) Gross	8,99,049	3,67,836	32,039	-	3,99,875	12,98,924
Less: Impairment loss allowance	54,206	-	-	-	-	54,206
Total (C) Net	8,44,843	3,67,836	32,039	-	3,99,875	12,44,718

Note:

a) 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. Securities, created / to be created by the borrowers, against loan assets are based on valuation of the underlying assets, where applicable, carried out by an external valuer and relied upon by us.

Includes unsecured loans amounting to ₹ 14,676 lakhs for which security has been created/perfected subsequent to March 31st, 2019 and unsecured loan amounting to ₹7,881 lakhs for which security creation is in the process.

7. Loans (continued)

i. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

(₹ in Lakhs)

	As at March 31st, 2019				As at March 31st, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	13,17,105	3,77,857	85,580	17,80,542	8,91,391	2,95,797	79,697	12,66,885
New assets originated or purchased	12,05,234	60,004	20,055	12,85,293	13,29,362	1,07,779	3,501	14,40,642
Assets derecognised or repaid (excluding write offs) #	(10,50,039)	(97,597)	(11,681)	(11,59,317)	(7,59,339)	(1,53,976)	(7,823)	(9,21,138)
Transfers to Stage 1	1,92,000	(1,81,682)	(10,318)	-	89,572	(83,719)	(5,853)	-
Transfers to Stage 2	(1,28,098)	1,28,249	(151)	-	(2,06,342)	2,17,857	(11,515)	-
Transfers to Stage 3	(51,376)	(58,946)	1,10,322	-	(27,539)	(5,881)	33,420	-
Amounts written off	-	-	(27,065)	(27,065)	-	-	(5,847)	(5,847)
Gross carrying amount closing balance	**14,84,827**	**2,27,885**	**1,66,742**	**18,79,453**	**13,17,105**	**3,77,857**	**85,580**	**17,80,542**

ii. Reconciliation of ECL balance is given below: *

(₹ in Lakhs)

	As at 31 March, 2019				As at 31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	13,865	11,063	35,115	60,043	9,151	11,398	38,640	59,189
New assets originated or purchased	6,403	5,478	3,327	15,208	10,140	3,335	1,208	14,683
Assets derecognised or repaid (excluding write offs) #	(6,323)	(2,308)	(10,268)	(18,899)	3,261	(4,273)	(4,514)	(5,526)
Transfers to Stage 1	613	(4,845)	(4,803)	(9,035)	351	(3,600)	(2,454)	(5,703)
Transfers to Stage 2	(1,240)	5,819	(63)	4,516	(1,583)	4,867	(1,399)	1,885
Transfers to Stage 3	(692)	(2,142)	13,227	10,393	(7,455)	(664)	4,293	(3,826)
Amounts written off	-	-	(631)	(631)	-	-	(659)	(659)
ECL allowance - closing balance	**12,626**	**13,065**	**35,904**	**61,595**	**13,865.48**	**11,062.96**	**35,115.27**	**60,043**

* Includes ECL allowance of ₹ 540 Lakhs (March 31st, 2018 ₹ 497 Lakhs, April 1st, 2017 ₹ 127 Lakhs) on off balance sheet exposure.

* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 3,621 lakhs (March 31st, 2018 ₹ 4,616 lakhs,April 1st, 2017 ₹ 4,983 lakhs)

Represents balancing figure.

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ 6,195 lakhs (Previous year: ₹ 5,847 lakhs).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by an 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 the borrowers.

7.1 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 recognized 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, 2019	As at March 31st, 2018	As at April 1st, 2017
i. not later than one year;	28,152	14,234	430
ii. later than one year and not later than five years;	63,388	39,287	631
iii. later than five years;	4	47	-
Total	**91,544**	**53,568**	**1,061**

Unearned finance Income (₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at 1st April, 2017
i. not later than one year;	7,782	4,317	98
ii. later than one year and not later than five years;	8,381	5,636	58
iii. later than five years;	-	2	-
Total	**16,163**	**9,955**	**156**

Minimum lease payments (₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at 1st April, 2017
i. not later than one year;	20,370	9,918	335
ii. later than one year and not later than five years;	55,007	33,650	560
iii. later than five years;	4	45	-
Total	**75,381**	**43,613**	**895**

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

8. Investments

(₹ in Lakhs)

As at March 31st, 2019

Particulars	Amortised cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	At Fair Value: Subtotal	Others	TOTAL
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Pass Through Certificates	-	-	-	-	-	-	-
Debt Securities	-	-	10,023	-	10,023	-	10,023
Equity Instruments	-	-	318	-	318	-	318
Total Gross (A)	-	-	10,341	-	10,341	-	10,341
(i) Overseas Investments	-	-	-	-	-	-	-
(ii) Investments in India	-	-	10,341	-	10,341	-	10,341
Total (B)	-	-	10,341	-	10,341	-	10,341
Less: Impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net D= (A)-(C)	-	-	10,341	-	10,341	-	10,341

As at March 31st, 2018

Particulars	Amortised cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	At Fair Value: Subtotal	Others	TOTAL
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Pass Through Certificates	-	-	-	-	-	-	-
Debt Securities	-	-	10,229	-	10,229	-	10,229
Equity Instruments	-	-	965	-	965	-	965
Total Gross (A)	-	-	11,194	-	11,194	-	11,194
(i) Overseas Investments	-	-	-	-	-	-	-
(ii) Investments in India	-	-	11,194	-	11,194	-	11,194
Total (B)	-	-	11,194	-	11,194	-	11,194
Less: Impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net D= (A)-(C)	-	-	11,194	-	11,194	-	11,194

As at April 1st, 2017

Particulars	Amortised cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	At Fair Value: Subtotal	Others	TOTAL
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Pass Through Certificates	215	-	-	-	-	-	215
Debt Securities	-	-	8,883	-	8,883	-	8,883
Equity Instruments	-	-	1,332	-	1,332	-	1,332
Total Gross (A)	215	-	10,215	-	10,215	-	10,430
(i) Overseas Investments	-	-	-	-	-	-	-
(ii) Investments in India	215	-	10,215	-	10,215	-	10,430
Total (B)	215	-	10,215	-	10,215	-	10,430
Less: Impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net D= (A)-(C)	215	-	10,215	-	10,215	-	10,430

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

9. Other Financial assets

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Security deposits			
To Related Parties	2,400	1,576	1,576
To Others	445	769	640
Interest accrued on fixed deposits	1,805	941	57
Rental accrued but not due	13,303	13,536	7,172
Less: Impairment loss allowance for rental accrued but not due [Refer note 6(i)(a)]	(490)	(113)	(1,169)
Interest retained on Pool asssigned	10,750	12,690	7,796
Advance for Investments	-	-	1,200
Claims Receivable (measured at fair value through profit and loss)	21,022	24,030	24,030
Others	538	761	450
Total	**49,773**	**54,190**	**41,752**

10. Current tax assets (Net)

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Advance income tax [net of Income tax provision of ₹ Nil lakhs (March 31st, 2018 : ₹ 55,575 lakhs, April 1st, 2017: ₹ 50,867 lakhs)]	-	5,228	488
Total	**-**	**5,228**	**488**

11. Other Non Financial assets

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Capital advances	1,622	4,641	7,797
Assets held for sale *	49,680	58,559	80,592
Advance to Vendors	3,234	1,558	1,093
Advances to employees	371	675	581
Balances with Service Tax/VAT/GST authorities etc.	36,487	40,536	2,164
Other assets	229	328	281
Total	**91,623**	**1,06,297**	**92,508**

* Assets held for sale represents repossessed assets and assets/collaterals acquired in satisfaction of debt and held for disposal.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

12. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross block				Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2018	Additions	Disposals and other adjustments	As at March 31st, 2019	As at April 1st, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2019	As at March 31st, 2019
Assets for Own use										
Land- Freehold	4	-	-	4	-	-	-	-	-	4
Buildings	76	-	-	76	2	1	-	-	3	73
Furniture and fixtures	611	64	1	674	191	178	-	-	369	305
Plant and Machinery	22,474	-	-	22,474	1,023	1,023	-	-	2,046	20,428
Motor vehicles	224	77	-	301	17	58	-	-	75	226
Computers and office equipment	842	61	2	901	337	326	-	1	662	239
(A)	24,231	202	3	24,430	1,570	1,586	-	1	3,155	21,275
Assets given on operating lease										
Aircrafts	379	-	-	379	40	41	-	-	81	298
Earthmoving Equipment	1,21,537	42,999	681	1,63,855	17,152	24,275	12	263	41,176	1,22,679
Motor vehicles	81,603	21,048	2,510	1,00,141	13,494	16,483	21	893	29,105	71,036
Plant and Machinery	1,96,717	32,704	1,706	2,27,715	14,935	21,810	162	82	36,825	1,90,890
Wind Mills	28,448	-	18,480	9,968	2,189	956	-	1,232	1,913	8,055
Computers	38,016	5,901	1,536	42,381	4,852	9,138	166	809	13,347	29,034
Furniture and fixtures	8,200	2,207	305	10,102	1,024	1,181	2	76	2,131	7,971
(B)	4,74,900	1,04,859	25,218	5,54,541	53,686	73,884	363	3,355	1,24,578	4,29,963
Total for Tangible assets (C)= (A+B)	4,99,131	1,05,061	25,221	5,78,971	55,256	75,470	363	3,356	1,27,733	4,51,238

(₹ in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment					Net book value
	As at April 1st, 2017	Additions	Disposals and other adjustments	As at March 31st, 2018	As at April 1st, 2017	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2018	As at March 31st, 2018
Assets for Own use										
Land- Freehold	4	-	-	4	-	-	-	-	-	4
Buildings	76	-	-	76	-	2	-	-	2	74
Furniture and fixtures	583	28	-	611	-	191	-	-	191	420
Plant and Machinery	22,474	-	-	22,474	-	1,023	-	-	1,023	21,451
Motor vehicles	167	102	45	224	-	49	-	32	17	207
Computers and office equipment	753	109	20	842	-	356	-	19	337	505
(A)	24,057	239	65	24,231	-	1,621	-	51	1,570	22,661
Assets given on operating lease										
Aircrafts	379	-	-	379	-	40	-	-	40	339
Earthmoving Equipment	58,541	63,976	980	1,21,537	-	17,023	435	306	17,152	1,04,385
Motor vehicles	43,838	39,894	2,129	81,603	-	13,481	402	389	13,494	68,109
Plant and Machinery	57,069	1,40,068	420	1,96,717	-	14,886	91	42	14,935	1,81,782
Wind Mills	28,448	-	-	28,448	-	2,189	-	-	2,189	26,259
Computers	12,545	27,002	1,531	38,016	-	5,223	96	467	4,852	33,164
Furniture and fixtures	6,429	2,043	272	8,200	-	1,037	20	33	1,024	7,176
(B)	2,07,249	2,72,983	5,332	4,74,900	-	53,879	1,044	1,237	53,686	4,21,214
Total for Tangible assets (C)= (A+B)	2,31,306	2,73,222	5,397	4,99,131	-	55,500	1,044	1,288	55,256	4,43,875

Note: The Company has elected to continue with the net carrying value of all of its property, plant and equipment and intangible assets recognized as of April 1st, 2017 (transition date) measured as per the previous GAAP and use that net carrying value as its deemed cost as of the transition date.

12.1 LEASES

a) In the capacity of Lessee

(i) The Company has taken certain office premises under cancellable operating lease arrangements which generally, range between 11 months to 9 years, and are usually renewable by mutual agreement. For the year ended March 31st, 2019, lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to₹ 1,433 Lakhs (March 31st, 2018 ₹ 901 Lakhs).

(ii) In addition to the above, the Company has also taken certain other office premises under non-cancellable operating lease arrangements which, generally range between 11 months to 6 years, and are usually renewable by mutual agreement. For the year ended March 31st, 2019 total lease payments aggregating to ₹ 115 Lakhs (March 31st,2018 ₹ 91 Lakhs) in respect of such arrangements have been recognized in the Statement of Profit and Loss. The future minimum lease payments in respect of above non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Not later than one year	152	71	98
Later than one year but not later than five years	16	30	81
Later than five years	-	-	-
Total	**168**	**101**	**179**

None of the operating lease agreements entered into by the Company provides for any contingent rent payment.

b) In the capacity of Lessor (Operating lease)

The Company has given assets on operating lease arrangements (refer note 12) for periods ranging between 1 to 9 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, 2019 is amounting to ₹ 895 lakhs (As at March 31st, 2018 : ₹ 2,326 lakhs).

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

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Not later than one year	1,28,158	1,14,167	47,930
Later than one year but not later than five years	2,42,918	2,58,765	1,20,762
Later than five years	2,843	5,345	10,612
Total	**3,73,919**	**3,78,277**	**1,79,304**

13. Other Intangible assets

(₹ in Lakhs)

Particulars	Gross block				Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2018	Additions	Disposals and other adjustments	As at March 31st, 2019	As at April 1st, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2019	As at March 31st, 2019
Assets for Own use										
Softwares	1,635	97	-	1,732	1,030	364	-	-	1,394	338
(A)	1,635	97	-	1,732	1,030	364	-	-	1,394	338
Assets given on operating lease										
Softwares	854	-	7	847	344	234	79	7	650	197
(B)	854	-	7	847	344	234	79	7	650	197
Total for Other Intangible assets (A+B)	2,489	97	7	2,579	1,374	598	79	7	2,044	535

(₹ in Lakhs)

Particulars	Gross block				Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2017	Additions	Disposals and other adjustments	As at March 31st, 2018	As at April 1st, 2017	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2018	As at March 31st, 2018
Assets for Own use										
Softwares	1,467	168	-	1,635	-	1,030	-	-	1,030	605
(A)	1,467	168	-	1,635	-	1,030	-	-	1,030	605
Assets given on operating lease										
Softwares	907	12	65	854	-	345	48	49	344	510
(B)	907	12	65	854	-	345	48	49	344	510
Total for Other Intangible assets (A+B)	2,374	180	65	2,489	-	1,375	48	49	1,374	1,115

Note: The Company has elected to continue with the net carrying value of all of its property, plant and equipment and intangible assets recognized as of April 1st, 2017 (transition date) measured as per the previous GAAP and use that net carrying value as it deemed cost as of the transition date.

14. Payables

I Trade Payables
(i) Dues of Micro Enterprises and Small Enterprises

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small Entterprises 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	-	-	-

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

(ii) total outstanding dues of creditors to other than micro enterprises and small enterprises

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Due to others			
Acceptances	92,382	44,039	40,907
Other than Acceptance	77,385	1,31,938	63,574
Employees payables	1,059	1,816	1,509
Commission payable to Directors	611	527	298
Total	**1,71,437**	**1,78,320**	**1,06,288**

15. Debt Securities

(₹ in Lakhs)

Particulars	As at March 31st, 2019				As at March 31st, 2018				As at April 1st, 2017			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)	1	2	3	(4)=(1)+(2)+(3)	1	2	3	(4)=(1)+(2)+(3)
A. Secured Non-convertible debentures (Refer Note 15.1)	1,84,535	-	-	1,84,535	1,21,092	-	-	1,21,092	97,579	-	-	97,579
B. Unsecured Non-convertible debentures (Refer Note 15.2)	200	-	-	200	200	-	-	200	200	-	-	200
Total (A+B)	**1,84,735**	-	-	**1,84,735**	**1,21,292**	-	-	**1,21,292**	**97,779**	-	-	**97,779**
Debt securities in India	1,84,735	-	-	1,84,735	1,21,292	-	-	1,21,292	97,779	-	-	97,779
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1,84,735**	-	-	**1,84,735**	**1,21,292**	-	-	**1,21,292**	**97,779**	-	-	**97,779**

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

15.1 Secured Non-Convertible Debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in lakhs) ##			Interest rate (%)	Earliest redemption date
		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017		
18 January, 2018	10,00,000	1,000	1,000	-	9.00%	18 January, 2028
20 December, 2016	10,00,000	1,000	1,000	1,000	9.00%	20 December, 2026
26 March, 2018	10,00,000	1,650	1,650	-	9.00%	26 March, 2025
03 October, 2017	10,00,000	600	600	-	8.99%	03 October, 2024
15 September, 2017	10,00,000	2,350	2,350	-	8.50%	15 September, 2024
22 June, 2017	10,00,000	2,000	2,000	-	9.23%	22 June, 2024
20 June, 2014 $$	10,00,000	1,000	1,000	1,000	10.90%	20 June, 2024
13 June, 2014 $$	10,00,000	1,000	1,000	1,000	10.92%	13 June, 2024
31 May, 2017	10,00,000	1,000	1,000	-	9.32%	31 May, 2024
26 May, 2017	10,00,000	2,000	2,000	-	9.45%	26 May, 2024
30 January, 2019	10,00,000	30,000	-	-	10.50%	30 January, 2024
02 December, 2016	10,00,000	500	500	500	9.00%	02 December, 2023
04 April, 2018	10,00,000	1,400	-	-	8.30%	04 April, 2023
14 March, 2018	10,00,000	500	500	-	8.30%	14 March, 2023
06 October, 2016	10,00,000	500	500	500	9.95%	06 October, 2021
28 December, 2017	10,00,000	500	500	-	8.80%	28 December, 2020
16 October, 2017 $$	10,00,000	15,000	15,000	-	9.25%	16 October, 2020
22 August, 2016	10,00,000	-	1,000	1,000	*	22 August, 2018 *
26 June, 2014	10,00,000	-	-	2,000	11.15%	20 June 2017###
11 May, 2015 #	1,000	6,386	40,970	40,970	**	**
17 January, 2017 #	1,000	49,204	49,205	50,000	***	***
25 May 2018 $	1,000	50,981	-	-	****	****
24 January 2019	1,000	17,072	-	-	*****	*****
Total		**1,85,643**	**1,21,775**	**97,970**		

* Contains put options excercisable on a quarterly basis having rate of interest March 31st, 2018: 10%, April 1st, 2017: 9.5%.

** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 3 - 7 Years having rate of interest ranging from 9.75% to 10.50%.

*** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 3 - 5 Years having rate of interest ranging from 8.90% to 9.76%.

**** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 1 - 10 Years having rate of interest ranging from 8.50% to 9.60%.

***** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 1 - 5 Years having rate of interest ranging from 9.75% to 10.50%.

All the above debentures are redeemable at par except those marked ### which are redeemable at premium.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,805 lakhs (March 31st, 2018: ₹ 1,120 lakhs, April 1st, 2017: ₹ 1,401 lakhs).

Security:

$$ The Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at West Bengal and specific receivables/ assets of the Company.

The public Issue of Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at Tamilnadu and specific receivables/ assets of the Company.

All the above non-convertible debentures except those marked #,$$ are secured by way of an exclusive first charge on the specific receivables / assets of the Company.

15.2 Unsecured non-convertible debentures

The following table sets forth, the detail of the unsecured non-convertible debentures outstanding as at the Balance

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) *			Coupon rate (%)	Earliest redemption date
		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017		
28 October, 2016	10,00,000	100	100	100	9.95%	28 April, 2020
28 April, 2016	10,00,000	100	100	100	10.00%	28 April, 2020
Total		**200**	**200**	**200**		

The above debentures is redeemable at par in single instalment.

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 0.17 lakhs (March 31st, 2018: ₹ 0.34 lakhs, April 1st, 2017 : ₹ 0.50 lakhs).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

16. Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at March 31st, 2019				As at March 31st, 2018				As at April 1st, 2017			
	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	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=3+2+1	1	2	3	4=3+2+1	1	2	3	4=3+2+1
SECURED												
(a) Term Loans (Refer note 16.1)												
(i) From Banks												
Rupee loans	1,66,598	-	-	1,66,598	1,16,016	-	-	1,16,016	96,655	-	-	96,655
Foreign currency loans	74,573	-	-	74,573	74,776	-	-	74,776	36,507	-	-	36,507
(ii) From Others												
Rupee loans	2,38,272	-	-	2,38,272	1,48,325	-	-	1,48,325	97,382	-	-	97,382
Foreign currency loans	1,17,637	-	-	1,17,637	95,146	-	-	95,146	35,300	-	-	35,300
(b) Working capital facilities (Refer note 16.2)												
(i) From Banks												
Rupee loans	9,30,692	-	-	9,30,692	8,57,374	-	-	8,57,374	6,77,450	-	-	6,77,450
Foreign currency loans	-	-	-	-	-	-	-	-	10,663	-	-	10,663
(c) Buyer's credit foreign currency loans (Refer note 16.3)	-	-	-	-	40,638	-	-	40,638	15,716	-	-	15,716
(d) Collateralised Borrowings (Refer Note 16.4)	1,34,608	-	-	1,34,608	79,111	-	-	79,111	-	-	-	-
UNSECURED												
(a) Term Loans (Refer note 16.5)												
(i) From Banks												
Rupee loans	-	-	-	-	40,000	-	-	40,000	-	-	-	-
Foreign currency loans	34,506	-	-	34,506	15,088	-	-	15,088	14,478	-	-	14,478
(b) Commercial Paper (Refer note 16.6)	31,748	-	-	31,748	1,84,125	-	-	1,84,125	48,587	-	-	48,587
Total	**17,28,634**	-	-	**17,28,634**	**16,50,599**	-	-	**16,50,599**	**10,32,738**	-	-	**10,32,738**
Borrowings in India	15,51,268	-	-	15,51,268	15,14,848	-	-	15,14,848	9,65,592	-	-	9,65,592
Borrowings outside India	1,77,366	-	-	1,77,366	1,35,751	-	-	1,35,751	67,146	-	-	67,146
Total	**17,28,634**	-	-	**17,28,634**	**16,50,599**	-	-	**16,50,599**	**10,32,738**	-	-	**10,32,738**

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

16.1 Secured Term Loans

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)				Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at March 31st, 2019	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks *	1,67,076	3,486	1,33,590	30,000	-	0 - 7	9%-13%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
Others - from financial institutions **	2,38,313	-	84,750	1,53,563	-	2 - 6	8%-11%	
Total	**4,05,389**	**3,486**	**2,18,340**	**1,83,563**	-			
Foreign currency term loans								
From banks #	76,065	-	-	76,065	-	4 - 5	5%-7%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
Others - from financial Institutions ##	1,18,268	-	-	1,09,624	8,644	1 - 9	3%-7%	
Total	**1,94,333**	-	-	**1,85,689**	**8,644**			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 478 lakhs.
** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 41 lakhs.
# Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,492 lakhs.
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 630 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)				Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at March 31st, 2018	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks *	1,16,218	14,145	1,02,073	-	-	0 - 5	8%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
Others - from financial institutions **	1,48,350	3,850	48,250	96,250	-	0 - 5	8%-12%	
Total	**2,64,568**	**17,995**	**1,50,323**	**96,250**	-			
Foreign currency term loans								
From banks #	76,465	-	9,341	67,124	-	0 - 6	3%-7%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
Others - from financial Institutions ##	95,526	-	-	87,380	8,146	2 - 10	3%-7%	
Total	**1,71,991**	-	**9,341**	**1,54,504**	**8,146**			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 202 lakhs.
** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 25 lakhs.
# Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,689 lakhs.
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 380 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)				Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at April 1st, 2017	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks *	96,914	25,703	71,211	-	-	0 - 5	9%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
Others - from financial institutions **	97,430	13,180	34,250	50,000	-	0 - 6	8%-12%	
Total	**1,94,344**	**38,883**	**1,05,461**	**50,000**	-			
Foreign currency term loans								
From banks #	36,894	-	11,283	25,611	-	0 - 2	3%-6%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
Others - from financial Institutions ##	35,360	-	-	35,360	-	3 - 8	3%-6%	
Total	**72,254**	-	**11,283**	**60,971**	-			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 259 lakhs.
** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 48 lakhs.
# Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 387 lakhs.
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 60 lakhs.

16.2 Secured working capital facilities

Working capital facilities (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets covered by respective hypothecation loan agreements and lease agreements with customers and receivables arising therefrom ranking pari passu (excluding assets specifically charged to others). As per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature. As at 31st March, 2019 working capital facilities from banks include working capital demand loans aggregating ₹ 250,000 lakhs (31st March, 2018: ₹ 589,000 lakhs, 1st April, 2017: ₹ 384,500 lakhs). Rate of interest for working capital demand loans ranges from 8% to 10% per annum (31st March, 2018 : from 8% to 10% per annum, 1st April, 2017 : from 8% to 10% per annum) and for other working capital facilities (cash credits), ranges from 9% to 13% per annum (31st March, 2018 : from 9% to 13% per annum, 1st April, 2017 : from 9% to 14% per annum).

16.3 Secured buyer's credit foreign currency loans

Buyer's credit in the form of foreign currency loans from banks were secured by import documents covering title to capital goods and extension of pari passu charge for working capital facilities bearing interest rate ranging from 0% to 5% per annum (31st March, 2018 : 0% to 5% per annum, 1st April, 2017 : from 0% to 3% per annum).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

16.4 Secured Collateralised Borrowings

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at March 31st, 2019	Monthly	Quarterly	Single instalment			
Collateralised Borrowings *	1,35,280	1,25,942	9,338	-	2-5	7%-11%	This represent amount received against securitisation of hypothecation loan, which does not qualify for derecognition, and assignment of future lease rentals.
Total	1,35,280	1,25,942	9,338	-			

* Does not include effective interest rate adjustment in accordance with IndAS 109₹ 672 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at March 31st, 2018	Monthly	Quarterly	Single instalment			
Collateralised Borrowings *	79,140	79,140	-	-	3-5	7%-9%	This represent amount received against securitisation of hypothecation loan, which does not qualify for derecognition.
Total	79,140	79,140	-	-			

* Does not include effective interest rate adjustment in accordance with IndAS 109₹ 29 lakhs.

16.5 Unsecured term loans

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2019	Quarterly	Half yearly	Single instalment		
Rupee term loan from bank	-	-	-	-	NA	NA
Foreign currency term loan from bank *	35,217	-	35,217	-	7-10	1%-2%
Total	35,217	-	35,217	-		

* Does not include effective interest rate adjustment in accordance with IndAS 109₹ 711 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2018	Quarterly	Half yearly	Single instalment		
Rupee term loan from bank	40,000	-	-	40,000	0-1	8%-9%
Foreign currency term loan from bank *	15,340	-	15,340	-	0 - 9	1%-2%
Total	55,340	-	15,340	40,000		

* Does not include effective interest rate adjustment in accordance with IndAS 109₹ 252 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at April 1st, 2017	Quarterly	Half yearly	Single instalment		
Rupee term loan from bank	-	-	-	-	-	-
Foreign currency term loan from bank *	14,760	-	14,760	-	10	1%-2%
Total	14,760	-	14,760	-		

* Does not include effective interest rate adjustment in accordance with IndAS 109₹ 282 lakhs.

16.6 Commercial Paper

Rate of Interest ranges from 7% to 11% per annum (March 31st, 2018 : 6% to 9% per annum, April 1st, 2017 : 7% to 9% per annum). The maximum amount outstanding during the year was ₹ 445,900 lakhs (March 31st, 2018 : ₹ 441,500 Lakhs, April 1st, 2017 : ₹ 355,700 Lakhs).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

17. Subordinated Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2019				As at March 31st, 2018				As at April 1st, 2017			
	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	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=3+2+1	1	2	3	4=3+2+1	1	2	3	4=3+2+1
UNSECURED												
- Rupee subordinated loans (Tier II Capital) (Refer Note 17.1)	4,979	-	-	4,979	6,636	-	-	6,636	24,954	-	-	24,954
Subordinated redeemable non convertible debentures (Tier II Capital) (Refer Note 17.2)	1,64,656	-	-	1,64,656	1,72,416	-	-	1,72,416	1,29,690	-	-	1,29,690
Subordinated perpetual debentures (Tier I Capital) (Refer Note 17.3)	13,745	-	-	13,745	3,749	-	-	3,749	3,749	-	-	3,749
Total	**1,83,380**	-	-	**1,83,380**	**1,82,801**	-	-	**1,82,801**	**1,58,393**	-	-	**1,58,393**
Subordinated Liabilities in India	1,83,380	-	-	1,83,380	1,82,801	-	-	1,82,801	1,58,393	-	-	1,58,393
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1,83,380**	-	-	**1,93,380**	**1,82,801**	-	-	**1,82,801**	**1,58,393**	-	-	**1,58,393**

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

17.1 Unsecured Rupee subordinated loans (Tier II Capital)

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2019	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) *	5,000	-	-	5,000	2 - 3	11%-12%
Total	**5,000**	-	-	**5,000**		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 21 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2018	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) *	6,667	-	1,667	5,000	0 - 4	11%-12%
Total	**6,667**	-	**1,667**	**5,000**		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 31 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at April 1st, 2017	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) *	25,000	10,000	5,000#	10,000	0-5	11%-12%
Total	**25,000**	**10,000**	**5,000**	**10,000**		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 46 lakhs.
# Payable after moratorium of 3 months.

17.2 Unsecured subordinated redeemable non-convertible debentures (Tier II Capital)

During the year ended March 31st, 2019, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 6,928 lakhs (March 31st, 2018 ₹ 60,699 lakhs). The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) #			Coupon rate (%)	Earliest redemption date
		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017		
24 January, 2019	1000	1,428	-	-	*	*
08 August, 2017	1000	56,199	56,199	-	*	*
10 October, 2018	1000000	500	-	-	10.25%	10 October, 2028
23 June, 2017	1000000	4,500	4,500	-	9.00%	23 June, 2027
30 March, 2017	1000000	5,000	5,000	5,000	10.25%	30 March, 2027
04 November, 2016	1000000	1,000	1,000	1,000	9.85%	04 November, 2026
07 October, 2016	1000000	4,000	4,000	4,000	10.75%	07 October, 2026
04 October, 2016	1000000	1,500	1,500	1,500	10.75%	04 October, 2026
24 August, 2016	1000000	3,000	3,000	3,000	9.50%	24 August, 2026
26 May, 2016	1000000	350	350	350	10.25%	26 May, 2026
25 May, 2016	1000000	2,000	2,000	2,000	10.75%	25 May, 2026
31 March, 2016	1000000	2,000	2,000	2,000	10.00%	31 March, 2026
18 March, 2016	1000000	500	500	500	10.70%	18 March, 2026
05 February, 2016	1000000	500	500	500	10.60%	05 February, 2026
20 January, 2016	1000000	500	500	500	10.60%	20 January, 2026
11 January, 2016	1000000	1,500	1,500	1,500	10.60%	11 January, 2026
24 September, 2015	1000000	500	500	500	10.50%	24 September, 2025
20 August, 2015	1000000	1,000	1,000	1,000	10.50%	20 August, 2025
13 August, 2015	1000000	15,000	15,000	15,000	10.75%	13 August, 2025
16 March, 2015	1000000	500	500	500	11.00%	16 March, 2025
01 March, 2017	1000000	500	500	500	10.40%	01 June, 2024
03 July, 2018	1000000	5,000	-	-	10.25%	03 May, 2024
25 October, 2016	1000000	5,000	5,000	5,000	9.80%	25 April, 2024
10 March, 2017	1000000	7,500	7,500	7,500	10.20%	10 March, 2024
07 May, 2013	1000000	2,080	2,080	2,080	11.25%	07 May, 2023
24 September, 2015	1000000	1,200	1,200	1,200	10.40%	24 April, 2023
29 March, 2016	1000000	200	200	200	10.70%	29 March, 2023
24 January, 2013	1000000	900	900	900	11.25%	24 January, 2023
17 December, 2012	1000000	1,700	1,700	1,700	11.50%	17 December, 2022
13 August, 2015	1000000	5,000	5,000	5,000	10.75%	13 August, 2022
09 March, 2017	1000000	500	500	500	10.18%	09 June, 2022
01 February, 2016	1000000	700	700	700	10.15%	01 May, 2021
24 September, 2015	1000000	2,360	2,360	2,360	10.30%	24 April, 2021
20 December, 2013	1000000	1,000	1,000	1,000	11.10%	20 December, 2020
27 September, 2013	1000000	1,600	1,600	1,600	11.00%	27 September, 2020
31 March, 2015	1000000	3,600	3,600	3,600	11.00%	30 June, 2020
29 June, 2013	1000000	1,000	1,000	1,000	10.85%	29 June, 2020
31 March, 2010	1000000	7,450	7,450	7,450	10.00%	31 March, 2020
19 March, 2010	1000000	2,550	2,550	2,550	10.00%	19 March, 2020
23 December, 2009	1000000	10,000	10,000	10,000	10.00%	23 December, 2019
29 November, 2013	1000000	1,000	1,000	1,000	11.00%	29 May, 2019
29 November, 2013	1000000	500	500	500	11.00%	29 May, 2019
24 July, 2013	1000000	1,500	1,500	1,500	10.75%	24 May, 2019
29 June, 2013	1000000	2,500	2,500	2,500	10.75%	29 April, 2019
28 March, 2013	1000000	-	2,500	2,500	11.50%	28 September, 2018
27 September, 2011	1000000	-	6,800	6,800	12.00%	27 September, 2018
08 February, 2013	1000000	-	5,000	5,000	11.60%	08 August, 2018
07 May, 2013	1000000	-	1,500	1,500	11.10%	07 August, 2018
31 March, 2011	1000000	-	-	5,000	11.50%	31 March, 2018
03 August, 2007	1000000	-	-	10,000	12.00%	03 August, 2017
30 December, 2011	1000000	-	-	2,500	12.60%	30 July, 2017
Total		1,66,817	1,75,689	1,32,490		

All the above debentures are redeemable at par in single instalment.

* The above debenture are allotted through public issue of Unsecured Subordinate Non Convertible Debenture and are redeemable over a tenure of 5 - 10 years having rate of interest ranging from 9.25% per annum to 11.00% per annum.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 2,828 lakhs (March 31st, 2018: ₹ 3,405 lakhs, April 1st, 2017 . ₹ 2,799 lakhs).

17.3 Unsecured subordinated perpetual debentures *

During the year ended 31st March, 2019, the Company raised Unsecured subordinated perpetual debentures amounting ₹ 10,000 lakhs (March 31st 2018 Nil). As at March 31st 2019, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 13,750 lakhs (March 31st 2018 : ₹ 3,750 lakhs, April 1st, 2017: ₹ 3,750 lakhs). These perpetual debentures have call option 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)			Coupon rate (%)	Earliest call option date
		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017		
13 December 2018	10,00,000	10,000	-	-	11.00%	13 December 2028
30 December 2011	10,00,000	3,750	3,750	3,750	12.50%	30 December 2021
Total		13,750	3,750	3,750		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 5 lakhs (31st March, 2018: ₹ 0.70 lakhs, 1st April, 2017 : ₹ 0.90 lakhs).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

18. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Interest accrued but not due on borrowings	22,709	16,205	14,362
Trade deposits received	39,965	34,682	18,363
Advance From Operating Lease customer	1,027	1,271	958
Others	164	538	192
Total	63,865	52,696	33,875

19. Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Current Tax Liabilities [net of advance income tax of₹ 70,114 lakhs (March 31st, 2018 : ₹ Nil lakhs, April 1st, 2017: ₹ Nil lakhs)]	93	-	-
Total	93	-	-

19.1 Income Tax Expense

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

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Profit before tax	45,673	44,225
Statutory Income Tax Rate	34.944%	34.608%
Expected income tax expense at statutory income tax rate	15,960	15,305
Adjustments for		
(i) Income exempt from tax/Items not deductible	1,146	(870)
(ii) Effect of different tax rate on certain items	(2,071)	-
(iii) Effect of change in substantially enacted tax rate	-	204
Total Tax Expense recognised in Statement of profit and loss	15,035	14,639

20. Provisions

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Provision for Gratuity	316	167	810
Provision for compensated absence	1,057	1,125	1,206
Total	1,373	1,292	2,016

21. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	Balance as at March 31st, 2018	Recognised/ (reversed) in statement of profit & loss	Recognised/ (reversed) in other comprehensive income	Reclassified to statement of profit & Loss/adjusted with current tax liabilities	Utilisation of MAT credit	Balance as at March 31st, 2019
Deferred Tax Liabilities on						
Property, plant and equipment and intangible assets	34,928	(195)	-	(3,573)	-	31,160
Financial assets and liabilities at fair value	(1,514)	1,484	1,973	(1,613)	-	330
Gross deferred tax liabilities	**33,414**	**1,289**	**1,973**	**(5,186)**	-	**31,490**
Deferred Tax asset on						
Financial assets and liabilities at amortised cost	11,612	1,278	-	-	-	12,890
Other timing differences	58	48	4	-	-	110
Gross deferred tax assets	**11,670**	**1,326**	**4**	-	-	**13,000**
Net deferred tax liabilities before MAT Credit Entitlement	**21,744**	**(37)**	**1,969**	**(5,186)**	-	**18,490**
Less: Minimum alternate tax (MAT) Credit Entitlement	3,899	-	-	-	(3,899)	-
Deferred tax liabilities (Net)	**17,845**	**(37)**	**1,969**	**(5,186)**	3,899	**18,490**

21. Deferred Tax Liabilities (Net) (continued)

(₹ in Lakhs)

Particulars	Balance as at April 1st, 2017	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to statement of profit & Loss	Utilisation of MAT credit	Balance as at March 31st, 2018
Deferred Tax Liabilities on						
Property, Plant and equipment and intangible assets	29,028	5,900	-	-	-	34,928
Financial assets and liabilities at fair vlaue	409	(1,807)	1,613	(1,729)	-	(1,514)
Gross deferred tax liabilities	**29,437**	**4,093**	**1,613**	**(1,729)**	-	**33,414**
Deferred Tax asset on						
Financial assets and liabilities at amortised cost	15,354	(3,742)	-	-	-	11,612
Unabsorbed Depreciation carried forward	1,524	(1,524)	-	-	-	-
Other Timing Differences	280	56	(278)	-	-	58
Gross deferred tax assets	**17,158**	**(5,210)**	**(278)**	-	-	**11,670**
Net deferred tax liabilities before MAT Credit Entitlement	**12,279**	**9,303**	**1,891**	**(1,729)**	-	**21,744**
Less: Minimum alternate tax (MAT) Credit Entitlement	4,599	-	-	-	(700)	3,899
Deferred tax liabilities (Net)	**7,680**	**9,303**	**1,891**	**(1,729)**	**700**	**17,845**

22. Other Non-financial liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Pre-received amount for lease contracts	11,514	11,136	3,243
Statutory remittances	1,217	1,003	469
Other liabilities	-	-	227
Total	**12,731**	**12,139**	**3,939**

23. Share Capital

(₹ in lakhs, except number of shares)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Authorised Equity shares, ₹ 10/- par value 500,000,000 (31st March, 2018 : 500,000,000, 1st April, 2017: 75,000,000) Equity shares	50,000	50,000	7,500
Preference shares, ₹ 100/- par value 50,000,000 (31st March, 2018 : 50,000,000, 1st April, 2017: Nil) Preference shares	50,000	50,000	-
	1,00,000	1,00,000	7,500
Issued, subscribed and fully paid-up Equity shares, ₹ 10/- par value 59,660,000 (31st March, 2018 : 59,660,000, 1st April, 2017: 59,660,000) Equity Shares	5,966	5,966	5,966
Total	5,966	5,966	5,966

23.1.1 Reconciliation of Equity Shares

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

Equity Shares	As at March 31st, 2019		As at March 31st, 2018		As at April 1st, 2017	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	596,60,000	5,966	596,60,000	5,966	596,60,000	5,966
Add: Issued as fully paid during the year	-	-	-	-	-	-
At the end of the period/year	596,60,000	5,966	596,60,000	5,966	596,60,000	5,966

23.1.2 Terms/rights attached to Equity and Preference Shares

The Company's authorized capital consists of two classes of shares referred to as Equity Shares and Preference shares having par 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. However, no such preference shares have been issued by the Company till date.
The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

23.1.3 The details of shareholders holding more than 5% shares are set out as below:

Class of shares and names of shareholders	As at March 31st, 2019		As at March 31st, 2018		As at April 1st, 2017	
Equity shares, ₹ 10/- par value	No. of shares	% held	No. of shares	% held	No. of shares	% held
Srei Infrastructure Finance Limited (Holding Company) *	596,60,000	100	596,60,000	100	596,60,000	100

* Including nominee shareholders

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

24. Other Equity

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018
Capital reserve		
Opening balance	31	31
Add / Less: Transferred from / to Surplus	-	-
Closing balance	**31**	**31**
Securities premium		
Opening balance	1,03,980	1,03,980
Add: Received on issue of equity shares for the year	-	-
Closing balance	**1,03,980**	**1,03,980**
Debt redemption reserve		
Opening balance	58,600	58,600
Add: Transferred from Surplus in the Statement of Profit and Loss for the year	9,133	7,684
Less: Transfer to Surplus in the Statement of Profit and Loss for the year on Redemption	7,171	7,684
Closing balance	**60,562**	**58,600**
Fair valuation of loans through other comprehensive income		
Opening balance	3,003	3,258
Add: Addition during the year	4,092	3,003
Less: Reclassified to statement of profit and loss	(3,003)	(3,258)
Closing balance	**4,092**	**3,003**
Cash flow hedge reserve		
Opening balance	-	
Add: Addition during the year	(418)	-
Less: Utilised during the year	-	-
Closing balance	**(418)**	**-**
Special reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)		
Opening balance	33,576	28,306
Add: Transferred from Surplus in the Statement of Profit and Loss for the year	6,128	5,270 #
Closing balance	**39,704**	**33,576**
Income tax special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	13,557	10,558
Add: Transferred from Surplus in the Statement of Profit and Loss for the year	113	2,999
Closing balance	**13,670**	**13,557**
Surplus in the Statement of Profit and Loss		
Opening balance	40,420	18,575
Add: Other comprehensive income/(loss) transferred from/to Statement of Profit and Loss	(7)	528
Add: Profit after tax transferred from Statement of Profit and Loss	30,638	29,586
Amount available for appropriation	71,051	48,689
Appropriations:		
Less: Amount transferred to Special reserve	6,128	5,270
Less: Amount transferred to Income Tax special reserve	113	2,999
Less: Amount transferred to Debt redemption reserve	9,133	7,684
Add: Amount transferred from Debt redemption reserve on Redemption	7,171	7,684
Closing balance	**62,848**	**40,420**
Total	**2,84,468**	**2,53,167**

The amount transferred to statutory reserves has been calculated in accordance with the provision of Section 45-IC of the RBI Act, 1934 which requires transfer of 20% of the profit after tax to the statutory reserves. However, the profit for previous year has not been restated for the impact of Ind AS readjustment items and the amount transferred to statutory reserve has been computed on the profit as per previous GAAP.

24. Other Equity (continued)

Capital Reserve:
Persuant to the scheme of arrangement ('the Scheme) between BNP Paribas Lease Group (BPLG) and Srei Infrastructure Finance Limited (SIFL), approved by shareholders and sanctioned by Hon'ble High Court of Calcutta vide order of 28th January 2008, the surplus, being the difference between the net book value of assets and liabilities transferred and considerations has been accounted for as capital reserve in the books of the company.

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.

Debt Redemption Reserve:
In accordance with Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act, 2013 the Company has created DRR only for redemption of public issue of Non-Convertible debentures (NCDs).

Cash Flow Hedge Reserve:
For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

Fair valuation of loans through other comprehensive income:
Financial assets measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Special Reserve:
Transfer of 20% of the profit after tax to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934.

Income Tax Special Reserve:
This reserve has been created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961.

Retained Earnings:
This reserve represents the cumulative profits of the Company.

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

25. Interest Income

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019				For the year ended March 31st, 2018			
	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*	17,607	2,51,738	337	2,69,682	38,479	1,79,065	38	2,17,582
Interest on fixed deposits with banks	-	8,320	-	8,320	-	3,141	-	3,141
Total	17,607	2,60,058	337	2,78,002	38,479	1,82,206	38	2,20,723

* Includes finance lease income amounting to ₹ 8,679 Lakhs (Previous year ₹ 1,339 Lakhs)

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

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019			For the year ended March 31st, 2018		
	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 *	2,700	-	2,700	-	(3,630)	(3,630)
(ii) Others						
- Investments	-	(392)	(392)	461	-	461
- Loan	3,277	-	3,277	420	-	420
- Claims Receivable	-	(3,008)	(3,008)	-	-	-
Total Net gain/(loss) on fair value changes	5,977	(3,400)	2,577	881	(3,630)	(2,749)
Fair Value changes:						
-Realised	-	(146)	(146)	-	(207)	(207)
-Unrealised	2,723	-	2,723	-	(2,542)	(2,542)
Total Net gain/(loss) on fair value changes	2,723	(146)	2,577	-	(2,749)	(2,749)

* Derivative contracts have been entered into by the company to manage foreign currency risk and interest rate risk arising from underlying foreign currency financial liabilities and not for trading purpose. Also refer Note 39 (C) (a) (ii) and (iii) for Company's risk management objectives

Under Ind AS 109, a hedging relationship only qualifies for hedge accounting if a number of restrictive criteria are satisfied, including appropriate designation and documentation of effectiveness at inception of the hedge. A hedging relationship will only qualify for hedge accounting at the date of adoption (being April 1st, 2018) if the hedging relationship has been fully designated and documented as effective in accordance with Ind AS 109 on or before the date of adoption and is of a type that qualifies for hedge accounting under Ind AS 109. Designation of a hedging relationship cannot be made retrospectively. Hence, all derivatives entered prior to 1st April 2018 has been classified as undesignated derivative

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

17. Others

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Liabilities no longer required written back	5,110	3,024
Sale of Power	2,030	2,106
Referral Income	5,947	8,781
Others	3,821	2,593
Total	16,908	16,504

28. Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Net gain or (loss) on foreign currency transaction and translation (other than considered as finance cost)	(2,921)	(2,443)
Net gain/(loss) on derecognition of property, plant and equipment	(813)	(903)
Others	133	21
Total	(3,601)	(3,325)

29. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019			For the year ended March 31st, 2018		
	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	-	1,79,817	1,79,817	-	1,30,333	1,30,333
Interest on debt securities	-	14,634	14,634	-	11,394	11,394
Interest on subordinated liabilities	-	19,518	19,518	-	19,679	19,679
Other interest expense	-	892	892	-	804	804
Total	-	**2,14,861**	**2,14,861**	-	**1,62,210**	**1,62,210**

30. Impairment on financial instruments

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019			For the year ended March 31st, 2018		
	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	3,621	26,814	30,435	4,616	8,998	13,614
Total	**3,621**	**26,814**	**30,435**	**4,616**	**8,998**	**13,614**

31. Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Salaries and wages	18,755	18,007
Contribution to provident and other funds *	1,144	1,209
Staff welfare expenses	339	496
Total	**20,238**	**19,712**

* This includes amount expended under defined contribution plans of ₹ 956 Lakhs (Previous year ₹ 871 Lakhs)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

32. Other expenses (₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Rates & Taxes	146	256
Rent	1,548	992
Repairs and Maintenance - Machinery	2,447	2,119
- Others	1,317	1,259
Communication Costs	324	483
Printing and stationery	195	233
Travelling and conveyance	3,687	3,499
Advertisement and Subscription	505	411
Director's fees, allowances and expenses	33	26
Auditor's fees and expenses (refer note 32a)	229	200
Legal and Professional charges	5,851	5,774
Repossession Expenses	1,730	1,147
Corporate social responsibility expenses (refer note 32b)	525	399
Charity and donations	28	7
Electricity Charges	332	356
Conference and seminar	462	321
Insurance	257	208
Exchange Fluctuations (Net)	1	2
Other expenditure	755	1,155
Total	20,362	18,847

Note: 32a (₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Audit Fees	96	60
Other Services :		
- Limited Review and Half Year Audit	47	41
- Audit and Certification Fees for Proposed IPO	34	48
- Certification and Others	41	41
Reimbursement of Expenses	11	10
Total	229	200

Note: 32b
(i) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 514 Lakhs (March 31st, 2018 : ₹ 390 Lakhs)
(ii) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year ₹ 525 Lakhs has been paid in cash, as compared to ₹ 399 Lakhs for the year ended March 31st, 2018

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

33. EARNINGS PER SHARE

Particulars	For the year ended	
	March 31st, 2019	March 31st, 2018
Net Profit attributable to Equity Shareholders (₹ in lakhs)	30,638	29,586
Weighted average number of Equity Shares Basic (Nos.)	596,60,000	596,60,000
Weighted average number of Potential Equity Shares (Nos.)	-	-
Weighted average number of Equity Shares Diluted (Nos.)	596,60,000	596,60,000
Nominal Value of Equity per share (₹)	10	10
Basic and Diluted Earnings per share (₹)	51.35	49.59

34. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Contingent liabilities			
Claims against the company not acknowledged as debt			
Disputed demands *			
- Sales tax	42	204	204
- Service tax	1,828	3,484	3,557
- Value added tax (VAT)	1,493	970	1,273
- Income tax	5,587	5,300	5,300
(A)	**8,950**	**9,958**	**10,334**
Bank guarantees #@	53,625	50,669	10,808
(B)	**53,625**	**50,669**	**10,808**
Total (A+B)	62,575	**60,627**	**21,142**
Commitments			
Estimated amount of capital contracts remaining to be executed [Net of advances of ₹ 1,622 lakhs (March 31st, 2018: ₹ 4,641 lakhs, April 1st, 2017: ₹ 7,797 lakhs)]	3,239	13,044	35,934

* 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
# Excludes ₹ 56 lakhs (March 31st, 2018 : ₹ 56 lakhs, April 1st, 2017: ₹ 56 lakhs) issued on behalf of the holding company against which the Company holds counter guarantee.
@ Includes ₹ 53,567 lakhs (March 31st, 2018 : ₹ 50,355 lakhs, April 1st, 2017: ₹ 10,410 lakhs) being the bank guarantee issued on behalf of the customer and other parties.

35. Employee Benefits

Defined benefit plans

(A) Gratuity Fund :-

The Company makes periodic contributions to the Srei Equipment Finance Limited Employee 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.

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,2019

35.1. Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(₹ in lakhs)

Description	Gratuity (Funded)			Compensated absence (Unfunded)		
	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended April 1st, 2017	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended April 1st, 2017
1. Change in the defined benefit obligation (DBO)						
Present value of obligation at the beginning of the year	1,171	1,540	1,347	697	749	650
Current Service Cost	177	284	229	65	191	196
Interest Cost	81	108	102	33	41	39
Past Service Costs - plan amendments	-	3	-	-	-	-
Acquisitions Cost/credit	-	94	-	-	-	-
Actuarial (gain)/loss - experience	19	50	(192)	291	439	124
Actuarial (gain)/loss - demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss - financial assumptions	13	(847)	126	6	(360)	47
Benefits paid	(197)	(61)	(72)	(519)	(363)	(307)
Present value of obligation at the end of the year	1,264	1,171	1,540	573	697	749
2. Change in plan assets						
Fair value of Plan Assets at the beginning of the year	1,004	731	678	-	-	-
Acquisitions adjustment	-	95	-	-	-	-
Interest income on plan assets	71	56	53			
Contributions by the employer	50	178	70	-	-	-
Return on Plan assets greater/(lesser) than discount rate	22	5	1			
Benefits paid	(198)	(61)	(72)	-	-	-
Fair value of Plan Assets at the end of the Year	949	1,004	730	-	-	-

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)		
	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended April 1st, 2017	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended April 1st, 2017
3. Amount recognised in Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	949	1,004	730	-	-	-
Present Value of Obligation at the end of the Year	1,264	1,171	1,540	573	697	749
Funded status (surplus/[deficit])	(315)	(167)	(810)	(573)	(697)	(749)
Net defined benefit Asset/(Liabilities)	(315)	(167)	(810)	(573)	(697)	(749)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
4. Expenses recognised in the statement of profit and loss consists of:	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended March 31st, 2019	Year ended March 31st, 2018
Employee benefits expenses:				
Current Service cost	177	284	65	191
Past Service Cost - plan amendments	-	6	-	-
Net Interest cost	11	51	33	41
Actuarial (Gain) / Loss due to DBO experience	-	-	291	439
Actuarial (Gain) / Loss due to DBO assumptions changes	-	-	6	(360)
Total [A]	188	341	395	311
Other Comprehensive Income				
Actuarial (Gain) / Loss due to DBO experience	19	50	-	-
Actuarial (Gain) / Loss due to DBO assumptions changes	14	(851)	-	-
Return on Plan assets (greater)/lesser than discount rate	(22)	(5)	-	-
Actuarial (Gains) / Losses recognized in OCI [B]	11	(806)	-	-
Adjustment for limit on net asset		-		
Expense recognised during the year [A+B]	199	(465)	395	311

The expense for the Defined Benefits (referred to in para 35.1 above) are included in the line item under 'Contribution to Provident and other Funds' in Note 31.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

35.2. Particulars in respect of post retirement defined benefit plans and long term employment benefits of the Company are as follows :-

(₹ in lakhs)

Description	Gratuity (Funded) % Invested			Compensated absence (Unfunded) % Invested		
6. Investment Details of Plan Assets as at	**As at March 31st, 2019**	**As at March 31st, 2018**	**As at April 1st, 2017**	**As at March 31st, 2019**	**As at March 31st, 2018**	**As at April 1st, 2017**
Schemes of insurance- conventional products	100.00%	100.00%	100.00%	0%	0%	0%
7. Assumptions						
Discount rate per annum	7.50%	7.60%	7.15%	7.50%	7.60%	7.15%
Salary escalation rate per annum	5.00%	5.00%	10.00%	5.00%	5.00%	10.00%
Method used	Projected Unit Credit Method			Projected Unit Credit Method		

35.3. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons

35.4. 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

	Year ended March 31st, 2019				Year ended March 31st, 2018				Year ended April 1st, 2017			
	Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)	
	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)
1. Discount Rate + 100 basis points	-9.70%	(122.93)	-9.80%	(56.35)	-10.00%	(113.75)	-5.00%	(37.84)	-12.00%	(188.14)	-9.00%	(70.26)
2. Discount Rate - 100 basis points	11.30%	142.89	11.50%	65.70	11.00%	132.84	6.00%	44.18	15.00%	225.43	11.00%	84.58
3. Salary Increase Rate + 1%	9.30%	117.82	11.60%	66.73	10.00%	114.73	6.00%	44.93	11.00%	174.65	11.00%	82.47
4. Salary Increase Rate – 1%	-8.50%	(107.19)	-10.10%	(58.13)	-9.00%	(101.80)	-5.00%	(38.19)	-10.00%	(155.76)	-9.00%	(70.24)

35.5. Maturity analysis of the defined benefit plans

(₹ in lakhs)

	Year ended March 31st, 2019		Year ended March 31st, 2018		Year ended April 1st, 2017	
	Gratuity (Funded)	Compensated absence (Unfunded)	Compensated absence (Unfunded)	Gratuity (Funded)	Gratuity (Funded)	Compensated absence (Unfunded)
1. Year 1	34.2	18.8	60.2	204.7	35.7	122.9
2. Year 2	47.9	22.9	60.7	112.7	55.4	74.0
3. Year 3	88.7	37.2	65.1	63.4	66.8	48.4
4. Year 4	111.0	42.0	91.1	45.0	66.3	30.7
5. Year 5	121.7	41.7	112.3	33.8	74.9	26.3
6. Next 5 Years	853.2	284.8	739.0	144.4	752.0	131.8

35.6 During the quarter ended March 31st, 2019, the Honourable Supreme Court in another case ruled that certain allowances are to be included in computing contributions to provident fund. The Company based on legal advice has implemented the basis of computation in accordance with the Supreme Court order from March 1st, 2019

36. Related Party Disclosure

List of Related Parties

Enterprises related to the Company	Nature of Relationship
Srei Infrastructure Finance Limited	Holding Company
Controlla Electrotech Private Limited	Fellow Subsidiary
Quippo Oil & Gas Infrastructure Limited (till March 30th, 2019)	Fellow Subsidiary
Quippo Energy Limited (till March 27th, 2019)	Fellow Subsidiary
Attivo Economic Zone (Mumbai) Private Limited (till September 28th, 2018)	Fellow Associate

Key Management Personnel (KMP)	
Name	**Designation**
Mr. Hemant Kanoria	Chairman
Mr. Sunil Kanoria	Vice Chairman
Mr. Devendra Kumar Vyas *	Managing Director
Mr. Manoj Kumar Beriwala	Chief Financial Officer
Mr. Naresh Mathur (till November 27th, 2017)	Company Secretary
Ms. Ritu Bhojak (with effect from November 27th, 2017)	Company Secretary
Ms. Ashwani Kumar (with effect from February 1st, 2019)	Independent Director
Mr. P. Kore IPE (till September 22nd, 2017)	Independent Director
Mr. Shyamalendu Chatterjee	Independent Director
Ms. Supriya Prakash Sen (with effect from September 9th, 2017)	Independent Director
Ms. Tamali Sengupta (till October 25th, 2017)	Independent Director
Mr. Suresh Kumar Jain (with effect from October 25th, 2017)	Independent Director

* Chief Executive Officer till 31st January 2019 and Managing Director with effect from 1st February 2019

Relative of Key Management Personnel (KMP)	Nature of Relationship
Manoj Kumar Beriwala - HUF	KMP is Karta

Enterprise over which relative of KMP has significance influence
India Power Corporation Limited (with effect from June 1st, 2017)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

36. Related Party Disclosure (continued)

Summary of Transactions/Balance Outstanding

(₹ in lakhs)

Name of the Related Party	Nature of relationship	Nature of transactions	For the year ended March 31st, 2019	Balance as at March 31st, 2019	Balance as at March 31st, 2018	For the year ended March 31st, 2018	Balance as at 1st April, 2017
Srei Infrastructure Finance Limited	Holding Company	Rent paid for leased premise	413	-	-	-	-
		Refund of Security Deposit paid for Leased Premises	1,576	-	-	-	-
		Security Deposit paid for Leased Premises	-	-	1,576	-	1,576
		Assignment of Loans	6,500	-	-	-	-
Quippo Energy Limited	Fellow Subsidiary (till March 27th, 2019)	Loan Given (Secured)	3,900	NA	-	-	-
		Interest Income on Loan Given	102		-	-	-
Quippo Oil and Gas Infrastructure Limited	Fellow Subsidiary (till March 30th, 2019)	Loan Given (Secured)	18,325	NA	1,190	1,200	-
		Interest Income on Loan Given	623		-	117	-
		Income from Assets given on Operating Lease	2,260		-	3,902	-
		Trade Receivables and rental accrued but not due	-		1,872	-	-
Mr. Hemant Kanoria	Chairman	Short term employee benefit	718	352	292	643	183
		Post employment benefit	39	-	-	36	-
Mr. Sunil Kanoria	Vice Chairman	Short term employee benefit	722	333	290	649	172
		Post employment benefit	39	-	-	36	-
Mr. Devendra Kumar Vyas *	Managing Director	Short term employee benefit	385#	24	22	309	20
		Post employment benefit	17#	-	-	16	-
		Rent paid for leased premise	10	-	-	10	-
		Loan Given	-	34	84	-	106
		Repayment of loan given	59	-	-	103	-
		Interest Income on Loan Given	6	-	-	11	-
Mr. Manoj Kumar Beriwala	Chief Financial Officer (with effect from November 3rd, 2016)	Short term employee benefit	76	5	8	73	6
		Post employment benefit	4	-	-	3	-
Mr. Naresh Mathur	Company Secretary (till November 27th, 2017)	Short term employee benefit	NA	NA	NA	16	2
		Post employment benefit				1	-
Ms. Ritu Bhojak	Company Secretary (with effect from November 27th, 2017)	Short term employee benefit	42	4	2	13	NA
		Post employment benefit	2	-	-	1	
Mr. Shyamalendu Chatterjee	Independent Director	Sitting Fees	15	-	-	14	-
Ms. Supriya Prakash Sen	Independent Director (with effect from September 9th, 2017)	Sitting Fees	10	-	-	4	NA
Mr. Suresh Kumar Jain	Independent Director (with effect from October 25th, 2017)	Sitting Fees	5	-	-	1	NA
Mr. P. Kore IPE	Independent Director (till September 22nd, 2017)	Sitting Fees	NA	NA	NA	4	-
Mr. Ashwani Kumar	Independent Director (with effect from February 1st, 2019)	Sitting Fees	2	-	NA	NA	NA
Ms. Tamali Sengupta	Independent Director (till October 25th, 2017)	Sitting Fees	NA	NA	NA	2	-
India Power Corporation Limited	Enterprise over which relative of KMP has significance influence (with effect from June 1st, 2017)	Income from Assets given on Operating Lease	1,665	-	-	2,368	NA
		Trade receivables and income from assets given on operating lease accrued but not due	-	1,124	829	-	
		Rent paid for leased premise	-	-	-	23	
Attivo Economic Zones (Mumbai) Private Limited	Associate of Holding Company (till September 28th, 2018)	Loan Given (Secured)	2,682	NA	7,386	-	-
		Interest Income on Loan Given	422		-	606	-
Controlla Electrotech Private Limited	Fellow Subsidiary	Rent paid for leased premise	156	-	-	-	-
		Security Deposit paid for Leased Premises	2,400	2,400	-	-	-
		Interest Received	120	-	-	-	-
Manoj Kumar Beriwala - HUF	KMP is Karta	Car Hire Charges	6	-	-	6	-

* Chief Executive Officer till January 31st, 2019 and Managing Director with effect from February 1st, 2019

\# Includes short term employee benefit and post employment benefit after February 1st, 2019 amounting to ₹ 58 lakhs and ₹ 3 lakhs respectively

Note 37: First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:
a. recognising all assets and liabilities whose recognition is required by Ind AS
b. not recognising items of assets or liabilities which are not permitted by Ind AS
c. reclassifying items from previous Generally Accepted Accounting Principles (Previous GAAP) to Ind AS as required under Ind AS, an
d. applying Ind AS in measurement of recognised assets and liabilities

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS
The Company has applied for the following exemptions

(i) Estimates
The estimates at 1st April 2017 and at 31st March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2017 and as of 31st March 2018.

(ii) Classification of Financial Assets
The classification of financial assets to be measured at amortized cost or at fair value through Profit and Loss is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

(iii) Fair value at Deemed Cost for items of Property, Plant and Equipment and Intangible asset
The Company has elected to use the carrying amount of items of Property, Plant and Equipment and Intangible asset under previous GAAP on the date of transition to Ind AS as deemed cost for Ind AS.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

Note 37: First Time Adoption (continued)

Reconciliation of Equity as previously reported under Previous GAAP to IND AS:

(₹ in Lakhs)

Particulars	Note	As at March 31st, 2018	As at April 1st, 2017
Equity as per Previous GAAP		2,78,042	2,52,040
Re-measurements on transition to Ind AS			
a. Interest income and expenses recognition using effective interest rate (EIR) on financial assets and liabilities at amortised cost	(i)	1,864	(374)
b. Expected credit loss	(ii)	(41,957)	(45,697)
c. Gain from excess interest spread on assignment transactions	(iii)	12,689	7,795
d. Fair valuation of loans and other financial assets	(iv)	3,633	4,036
e. Fair valuation of derivatives	(v)	(4,920)	(23)
f. Deferred tax on above adjustments	(vii)	9,782	11,497
Equity as reported under Ind AS		2,59,133	2,29,274

Reconciliation of Total Comprehensive Income

(₹ in Lakhs)

Particulars	Note	For the year ended March 31st, 2018
Profit after Tax as per Previous GAAP		26,349
Adjustments on account of:		
a. Interest income and expenses recognition using EIR on financial assets and liabilities at amortised cos	(i)	5,554
b. Expected credit loss	(ii)	423
c. Gain from excess interest spread on assignment transactions	(iii)	4,894
d. Fair valuation of loans and other financial assets	(iv)	(36)
e. Fair valuation of derivatives	(v)	(5,244)
f. Actuarial gains/loss on employee benefit plan	(vi)	(803)
g. Deferred tax on above adjustments	(vii)	(1,551)
Net Profit after tax as per Ind AS		29,586
Other comprehensive income, net of tax		
a. Remeasurements of the defined benefit plans		528
b. Fair valuation of loans		3,003
Total Comprehensive Income as per Ind AS		33,117

Reconciliation of Statement of Cash Flows

(₹ in Lakhs)

Particulars	Note	Amount as per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	(viii) and (ix)	(3,26,062)	(74,900)	(4,00,962)
Net cash generated from/(used in) investing activities	(ix)	(2,64,491)	(2,628)	(2,67,119)
Net cash generated from/(used in) financing activities	(viii)	5,85,899	77,528	6,63,427
Net increase/(decrease) in cash and cash equivalents		(4,654)	-	(4,654)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

Note 37: First Time Adoption (continued)

Footnotes to the reconciliation of equity as at March 31st, 2018 and April 1st, 2017 and Total Comprehensive Income and Statement of Cash Flows for year ended March 31st, 2018.

(i) Measurement of financial assets and financial liabilities at amortised cost
Under Previous GAAP, all financial assets and financial liabilities were carried at cost.Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. 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 the financial asset or financial liability.

(ii) Expected Credit Loss
Under Previous GAAP, the impairment provisioning for the company were governed by the principles as prescribed by the RBI through NBFC-SI directions.
Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortized cost. Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses; or Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument.

(iii) Gain from excess interest spread on assignment transactions
Under previous GAAP, since the assignment transactiosn were carried out at book value of the loan assets with no upfront cash profit/loss, no gain/loss on the said transaction has been recognised on the same. Under Ind AS, gains from excess interest spread is recognised upfront.

(iv) Measurement of financial assets at fair value through Profit or Loss (FVTPL)
Under previous GAAP, financial assets were stated at cost. Under Ind AS, if the contractual terms of the financial asset give rise on specified dates to cash flows that are not solely payments of principal and interest on the principal amount outstanding, the entity shall measure the fair value of the financial instrument with changes thereof to the statement of Profit and Loss.
Similarly, under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and changes in fair value after the date of transition has been recognised in profit or loss.

(v) Measurement of derivative financial instruments at fair value
The Company uses derivative financial instruments, such as currency forwards, options and swaps to hedge its foreign currency risks. Under previous GAAP, these instruments were accounted for in accordance with principles specified under AS-11, whereby the premium or discount arising at the inception of such derivative contracts were amortized as expense or income over the life of the contract and any charge payable in respect of such foreign exchange contracts were recognized over the terms of the contract. Exchange differences on such contracts were recognized in the Statement of Profit and Loss in the period in which the exchange rates change.
The Company uses derivative financial instruments, such as cross currency swaps and interest Rate Swaps for hedging the interest rate risk. Under previous GAAP, as per Guidance Note on Accounting for Derivative Contracts issued by ICAI, the net mark to market losses or gains on the outstanding portfolios of such instruments were recognised directly in cash flow hedges.
Under Ind AS, changes in the fair value of all derivative financial instruments on adoption date has been routed through retained earnings. The changes in fair value of derivative financial instruments, after adoption date, which are designated as cash flow hedges are recognised in equity. Amounts deferred in equity are transferred to the Statement of Profit and Loss in line with the hedged transaction.

(vi) Re-measurement Gains and Losses on Defined Benefit Plans
Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee compensated absences were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of statement of profit and loss.

(vii) Tax Impact on above adjustments
The above adjustments have led to recognition of deferred taxes on new temporary differences.

(viii) The Company transfers loan assets under securitisation arrangements to banks and financial institutions. Some of the arrangements do not meet the de-recognition criteria due to credit enhancement being provided to the banks and financial institutions. Consequently, proceeds received from such transactions are recorded as collateralised borrowings and loan assets continue to be recognised in the financial statements. Under the Previous GAAP, such transactions were de-recognised and recorded as a sale.

(ix) The adjustments are due to regrouping of sale or purchase of investments from operating activities to financing activities. As a result, cash flow from operating activities under Ind AS is higher and cash flow from investing activities is lower.

38. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(₹ in lakhs)

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Tier I capital	3,01,284	2,62,810	2,40,076
Tier II capital	1,12,149	1,29,269	86,745
Total capital (A)	**4,13,433**	**3,92,079**	**3,26,821**
Risk weighted assets	25,70,888	24,60,048	17,51,677
Tier I Ratio	11.72%	10.68%	13.71%
Tier II Ratio	4.36%	5.26%	4.95%

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, retained earnings including current year profit, statutory reserves and other free reserves less deferred revenue expenditure and intangible assets. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds and loans.

The aforesaid figures on regulatory capital are resatated as per Reserve Bank of India (RBI) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and are not as per Ind AS.

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial asset, Financial liability and equity instrument are disclosed in Note 2 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in lakhs)

	As at March 31st, 2019		As at March 31st, 2018		As at April 1st, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
i) Cash and cash equivalents	21,624	21,624	2,529	2,529	7,183	7,183
ii) Other bank balances	1,57,472	1,57,472	80,250	80,250	32,560	32,560
iii) Trade Receivables	10,664	10,664	11,284	11,284	5,579	5,579
iv) Loans	15,68,858	15,83,450	12,45,953	12,55,589	8,44,843	8,50,319
v) Other financial assets	28,751	28,751	30,160	30,160	17,722	17,722
Sub-total	17,87,369	18,01,961	13,70,176	13,79,812	9,07,887	9,13,363
b) Measured at Fair value through Profit or Loss						
i) Derivative financial instruments	5,717	5,717	3,864	3,864	7,406	7,406
ii) Loans	40,008	40,008	35,571	35,571	32,039	32,039
iii) Investments	10,341	10,341	11,194	11,194	10,430	10,430
iv) Other financial assets	21,022	21,022	24,030	24,030	24,030	24,030
Sub-total	77,088	77,088	74,659	74,659	73,905	73,905
c) Measured at Fair value through Other Comprehensive Income						
i) Loans	2,52,621	2,52,621	4,79,162	4,79,162	3,67,836	3,67,836
Sub-total	2,52,621	2,52,621	4,79,162	4,79,162	3,67,836	3,67,836
Total financial assets	21,17,078	21,31,670	19,23,997	19,33,633	13,49,628	13,55,104
Financial liabilities						
a) Measured at amortised cost						
i) Payables	1,71,437	1,71,437	1,78,320	1,78,320	1,06,288	1,06,288
ii) Debt Securities	1,84,735	1,87,659	1,21,292	1,25,959	97,779	94,792
iii) Borrowings (Other than Debt Securities)	17,28,634	17,25,201	16,50,599	16,55,963	10,32,738	10,53,881
iv) Subordinated Liabilities	1,83,380	1,80,801	1,82,801	1,81,412	1,58,393	1,33,512
v) Other financial liabilities	63,865	63,865	52,696	52,696	33,875	33,875
Sub-total	23,32,051	23,28,963	21,85,708	21,94,350	14,29,073	14,22,348
b) Measured at Fair value through Profit or loss						
i) Derivative Financial instruments	5,302	5,302	4,395	4,395	4,322	4,322
Sub-total	5,302	5,302	4,395	4,395	4,322	4,322
Total financial liabilities	23,37,353	23,34,265	21,90,103	21,98,745	14,33,396	14,26,670

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 a rate that reflects market risks.

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, 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 debts are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at a rate that reflects market risks.

Other financial liabilities measured at amortised cost

For other financial 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 & Other payables and Trade Deposits.

39. 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 included in level 3.

(₹ in lakhs)

	As at March 31st, 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	5,717	-	5,717
Loans	-	-	2,92,629	2,92,629
Investments	298	10,043	-	10,341
Other Financial Assets	-	-	21,022	21,022
	298	15,760	3,13,651	3,29,709
Financial liabilities				
Derivative Financial Instruments	-	5,302	-	5,302
	-	5,302	-	5,302

(₹ in lakhs)

	As at March 31st, 2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	3,864	-	3,864
Loans	-	-	5,14,733	5,14,733
Investments	959	10,235	-	11,194
Other Financial Assets	-	-	24,030	24,030
	959	14,099	5,38,763	5,53,821
Financial liabilities				
Derivative Financial Instruments	-	4,395	-	4,395
	-	4,395	-	4,395

(₹ in lakhs)

	As at April 1st, 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	7,406	-	7,406
Loans	-	-	3,99,875	3,99,875
Investments	1,326	9,104	-	10,430
Other Financial Assets	-	-	24,030	24,030
	1,326	16,510	4,23,905	4,41,741
Financial liabilities				
Derivative Financial Instruments	-	4,322	-	4,322
	-	4,322	-	4,322

Fair value of the Company's Assets and Liabilities that are measured at fair value on a recurring basis (Level 2 and Level 3)

Particulars	Fair Value as at			Fair Value Heirarchy	Valuation Technique and Key Input	Significant Unobservable Input
	March 31st, 2019	March 31st, 2018	April 1st, 2017			
Financial Assets						
Derivative Financial Instruments	5,717	3,864	7,406	Level 2	Note (i)	N/A
Loans	2,92,629	5,14,733	3,99,875	Level 3	Note (ii)	Note (v)
Investments	298	959	1,326	Level 1	Note (iii)	N/A
Investments	10,043	10,235	9,104	Level 2	Note (iv)	N/A
Other Financial Assets	21,022	24,030	24,030	Level 3	Note (ii)	Note (v)
Financial liabilities						
Derivative Financial Instruments	5,302	4,395	4,322	Level 2	Note (i)	N/A

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

(i) Mark-to-Market
Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.
(ii) Income Approach.
The discounted cash flow method was used to capture the present value of the expected future benefits (including contractual cashflows) to be derived from the Loan Assets/Other Financial Assets.
(iii) Quoted Prices.
Quoted bid prices of an active market was used.
(iv) 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.
(v) Discount rate, determined using the cost of lending of the company.

Reconciliation of Level 3 fair value measurements

Reconciliation	Loans		Other Financial Assets	
	March 31st, 2019	March 31st, 2018	March 31st, 2019	March 31st, 2018
Opening Balance	5,14,733	3,99,875	24,030	24,030
New loan disbursed	2,77,658	4,79,162	-	-
Loans repaid	(5,05,868)	(3,67,836)	-	-
Transfers into Level 3	-	-	-	-
Transfers from Level 3	-	-	-	-
Unrealised income/(loss)	3,437	3,532	(3,008)	-
Other Comprehensive Income	2,669	-	-	-
Closing Balance	2,92,629	5,14,733	21,022	24,030

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%

	March 31st, 2019		March 31st, 2018	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans at FVTOCI	7,403	(7,086)	13,680	(13,110)
Loans at FVTPL	1,158	(1,085)	1,653	(1,551)
Other Financial Assets at FVTPL	631	(596)	630	(604)
Total	9,192	(8,767)	15,963	(15,265)

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

C) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk.
The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.
Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Company's senior management. It defines the strategy for managing liquidity and interest rate risks in the business.

a) Market risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk:
i. Foreign Currency Risk
ii. Interest Rate Risk
iii. Other Price Risk

i. Foreign currency risk
The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

Foreign Currency Exposure (₹ in lakhs)

As at March 31st, 2019	**USD**	**Euro**	**Others#**	**Total**
Borrowings (Other than Debt Securities)	**1,61,735**	**67,815**	**-**	**2,29,550**
As at March 31st, 2018	USD	Euro	Others#	Total
Borrowings (Other than Debt Securities)	1,69,293	58,461	215	2,27,969
As at April 1st, 2017	USD	Euro	Others#	Total
Borrowings (Other than Debt Securities)	85,404	25,856	2,133	1,13,393

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

Hedged Foreign Currency balances (₹ in lakhs)* :		**As at March 31st, 2019**	**As at March 31st, 2018**	**As at April 1st, 2017**
Borrowings (Other than Debt Securities)	USD	**1,61,735**	1,69,293	85,404
	EUR	**67,815**	58,461	25,856
	Others#	**-**	215	2,133

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar
* The same does not meet hedge documentation criterion as per IndAS 109.

Foreign currency sensitivity

Impact on increase in 2% (₹ in lakhs)

	As at March 31st, 2019	**As at March 31st, 2018**	**As at April 1st, 2017**
USD	**(3,235)**	(3,386)	(1,708)
EUR	**(1,356)**	(1,169)	(517)
Others#	**-**	(4)	(43)

Impact on decrease in 2% (₹ in lakhs)

	As at March 31st, 2019	**As at March 31st, 2018**	**As at April 1st, 2017**
USD	**3,235**	3,386	1,708
EUR	**1,356**	1,169	517
Others#	**-**	4	43

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar
The Company has entered into Spots, Forwards and Currency Swaps to manage its foreign currency risk. Hence, the Company's profit and loss and equity is not exposed to such foreign currency sensitivity.

ii. Interest rate risk
The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.
The company is further exposed to interest rate risk as the company also lends funds at floating interest rates.

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

Interest Rate Exposure (₹ in lakhs) [Financial Instruments at variable interest rates]

As at March 31st, 2019	INR	USD	Others#	Total
Financial Assets				
Loans	**13,52,225**	-	-	**13,52,225**
Financial Liabilities				
Borrowings (Other than Debt Securities)	**11,35,018**	**1,54,501**	**67,815**	**13,57,334**
Subordinated Liabilities	**5,000**	-	-	**5,000**
As at March 31st, 2018	INR	USD	Others	Total
Financial Assets				
Loans	11,20,230	-	-	11,20,230
Financial Liabilities				
Borrowings (Other than Debt Securities)	10,61,843	1,50,388	27,370	12,39,601
Subordinated Liabilities	6,667	-	-	6,667
As at April 1st, 2017	INR	USD	Others	Total
Financial Assets				
Loans	8,20,466	-	-	8,20,466
Financial Liabilities				
Borrowings (Other than Debt Securities)	8,11,345	71,449	16,702	8,99,496
Subordinated Liabilities	25,000	-	-	25,000

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Interest Rate sensitivity

Impact on increase in 2% (₹ in lakhs)

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
INR	**4,244**	1,434	(318)
USD	**(3,090)**	(3,008)	(1,429)
Others#	**(1,356)**	(547)	(334)

Impact on decrease in 2% (₹ in lakhs)

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
INR	**(4,244)**	(1,434)	318
USD	**3,090**	3,008	1,429
Others#	**1,356**	547	334

Others primarily include EUR-EURO,GBP-Great Britain Pound and SGD-Singapore Dollar

In some cases, the Company has entered into cross currency swap and interest rate swaps to manage its interest rate risk. The Company's profit and loss and equity is not exposed to interest rate sensitivity to that extent.

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit & Loss as at March 31st, 2019 is ₹ 297 Lakhs (March 31st, 2018 ₹ 959 Lakhs, April 1st, 2017 ₹ 1,326 Lakhs)

A 10% change in equity prices of such securities held as at March 31st, 2019, March 31st, 2018 and April 01st, 2017, would result in an impact of ₹ 30 Lakhs (31st March 2018 ₹ 96 Lakhs, 1st April 2017 ₹ 133 Lakhs).

39. 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 treasury maintains flexibility in funding by maintaining sufficient cash and marketable securities and the availability funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Company's Asset Liability Management Committee (ALCO) lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

Liquidity risk management :

	As at March 31st, 2019								
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & 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	21,624	-	-	-	-	-	-	-	21,624
ii) Other bank balances	5,286	18,276	21,094	59,708	28,744	23,947	414	3	1,57,472
iii) Derivative financial instruments	5,717	-	-	-	-	-	-	-	5,717
iv) Trade receivables	2,666	5,332	2,666	-	-	-	-	-	10,664
v) Loans	91,379	1,15,880	1,10,477	1,26,106	2,41,818	7,58,982	2,79,721	1,90,624	19,14,987
vi) Investments	115	-	-	-	438	5,744	1,267	2,777	10,341
vii) Other financial assets	13,082	1,538	1,465	5,265	17,447	14,532	1,693	43	55,065
Total	**1,39,869**	**1,41,026**	**1,35,702**	**1,91,079**	**2,88,447**	**8,03,205**	**2,83,095**	**1,93,447**	**21,75,870**
B: Financial liabilities									
i) Debt Securities	-	-	9,382	-	18,429	71,105	57,657	29,971	1,86,544
ii) Borrowings (Other than Debt Securities) #	50,585	1,55,259	31,861	1,50,474	7,87,017	3,00,364	2,00,977	56,774	17,33,311
iii) Subordinated Liabilities	2,500	3,000	-	-	20,000	19,010	55,363	86,523	1,86,396
iv) Trade payables	37,881	24,627	30,706	60,248	6,651	11,324			1,71,437
v) Derivative financial instruments	5,302	-	-	-	-	-	-	-	5,302
vi) Other financial liabilities	15,167	1,302	1,622	5,697	5,798	18,127	13,043	14,625	75,381
Total	**1,11,434**	**1,84,188**	**73,572**	**2,16,419**	**8,37,895**	**4,19,930**	**3,27,040**	**1,87,893**	**23,58,371**

	As at March 31st, 2018								
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & 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	2,529	-	-	-	-	-	-	-	2,529
ii) Other bank balances	3,822	724	11,879	17,658	27,169	18,577	421	-	80,250
iii) Derivative financial instruments	3,864	-	-	-	-	-	-	-	3,864
iv) Trade receivables	2,821	5,642	2,821	-	-	-	-	-	11,284
v) Loans	88,261	80,237	73,494	1,32,732	2,44,697	8,47,557	3,14,264	27,360	18,08,602
vi) Investments	-	-	-	-	1,073	274	5,066	4,781	11,194
vii) Other financial assets	16,370	1,024	1,323	2,834	7,735	25,723	192	133	55,334
Total	**1,17,667**	**87,627**	**89,517**	**1,53,224**	**2,80,674**	**8,92,131**	**3,19,943**	**32,274**	**19,73,057**
B: Financial liabilities									
i) Debt Securities	-	28,332	-	7,252	-	34,234	38,057	14,100	1,21,975
ii) Borrowings (Other than Debt Securities) #	3,38,689	1,93,553	2,73,113	81,734	3,83,712	2,01,850	1,36,680	48,161	16,57,492
iii) Subordinated Liabilities	-	-	-	17,467	-	32,700	56,089	80,164	1,86,420
iv) Derivative financial instruments	4,395	-	-	-	-	-	-	-	4,395
v) Trade payables	25,412	24,977	24,177	78,325	18,445	6,984	-	-	1,78,320
vi) Other financial liabilities	11,748	1,464	1,719	6,149	2,824	12,779	11,570	14,366	62,619
Total	**3,80,244**	**2,48,326**	**2,99,009**	**1,90,927**	**4,04,981**	**2,88,547**	**2,42,396**	**1,56,791**	**22,11,221**

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

	As at April 1st, 2017								
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & 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	7,183	-	-	-	-	-	-	-	7,183
(ii) Other bank balances	1,742	8,849	3,092	3,629	11,628	3,619	1	-	32,560
(iii) Derivative financial instruments	7,406	-	-	-	-	-	-	-	7,406
iv) Trade receivables	1,395	2,790	1,394	-	-	-	-	-	5,579
v) Loans	55,846	58,936	27,497	88,824	2,12,769	6,07,364	1,98,015	30,806	12,80,057
vi) Investments	31	29	27	68	1,379	13	5,175	3,708	10,430
vii) Other financial assets	9,354	706	2,066	1,882	2,372	26,937	111	99	43,527
Total	**82,957**	**71,310**	**34,076**	**94,403**	**2,28,148**	**6,37,933**	**2,03,302**	**34,613**	**13,86,742**
B: Financial liabilities									
i) Debt Securities	-	-	2,000	-	796	51,921	37,747	6,715	99,179
ii) Borrowings (Other than Debt Securities) #	55,449	2,91,616	75,158	55,359	3,53,129	1,31,863	54,517	17,097	10,34,188
iii) Subordinated Liabilities	-	-	10,000	15,833	10,000	42,967	19,010	63,430	1,61,240
iv) Derivative financial instruments	4,322	-	-	-	-	-	-	-	4,322
v) Trade payables	22,968	15,408	16,175	43,827	5,253	2,657	-	-	1,06,288
vi) Other financial liabilities	15,697	785	823	3,928	1,895	7,455	6,318	269	37,170
Total	**98,436**	**3,07,809**	**1,04,156**	**1,18,947**	**3,71,073**	**2,36,863**	**1,17,592**	**87,511**	**14,42,387**

This includes working capital facilities considered in over 6 months and upto 1 year bucket based on contractual terms, however, as per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature.

c) Credit risk

The principal business of the company is to provide financing in the form of loans to its clients primarily to acquire assets. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. The Company also provides Leasing services to its clients which result in accrual of Trade Receivables. The Company is exposed to credit risk to the extent of such Trade Receivables. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has credit policies approved by the Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables. The Company has bucketed its portfolio according to Exposure Amounts, as the same reflects similar customer behaviour, and the Probability of Default (PD) of each of the buckets is computed basis such historical data. Basis 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 to compute the ECL provision, which is further adjusted for forward looking information, if any. Additionally, the Company reviews its large exposures on quarterly basis to identify cases where the expected credit loss is expected to be higher than that derived from the model and recognises such impairments additionally.

The Company's Loan and trade receivables consists of a large number of customers, hence the Company is not exposed to concentration risk with respect to any particular customer.

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

D) Transfers of financial assets that are not derecognised in their entirety :
The Company has carried out securitisation transactions wherein it has securitised loans. Even though the loan assets have been securitised, the Company still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns are dependent on the realisation from the securitised loan assets, leading to company bearing the risk of non-realisation from the pool.

D.1. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Carrying amount of assets	1,18,779	74,636	*
Carrying amount of associated liabilities	1,23,033	79,111	*
Fair value of assets	1,20,331	75,706	*
Fair value of associated liabilities	1,21,552	76,647	*

* The company has chosen to apply the de-recognition requirements of Ind AS - 109 prospectively by choosing the first-time exemptions provided by Ind AS - 101.

40. 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 assets held for sale 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 assets held for sale obtained during the year and where still lying with the company as at the year end:

(₹ in lakhs)

	Figures for the year ended March 31st, 2019	Figures for the year ended March 31st, 2018
Land	2,265	-
Property	-	2,018
Other	15,391	6,483
Total assets obtained by taking possession of collateral/assets	**17,656**	**8,501**

41. 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

	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
Assets	**Within 12 Months**	**After 12 Months**	**Total**	**Within 12 Months**	**After 12 Months**	**Total**	**Within 12 Months**	**After 12 Months**	**Total**
Cash and cash equivalents	21,624	-	21,624	2,529	-	2,529	7,183	-	7,183
Other balances with bank	1,33,109	24,363	1,57,472	61,252	18,998	80,250	28,940	3,620	32,560
Derivative financial instruments	5,717	-	5,717	3,864	-	3,864	7,406	-	7,406
Trade Receivables	10,664	-	10,664	11,284	-	11,284	5,579	-	5,579
Loans	6,69,578	11,91,909	18,61,487	6,04,476	11,56,210	17,60,686	4,30,939	8,13,779	12,44,718
Investments	553	9,788	10,341	1,073	10,121	11,194	1,534	8,896	10,430
Other Financial assets	35,119	14,654	49,773	25,593	28,597	54,190	15,217	26,535	41,752
Tax assets (Net)	-	-	-	-	5,228	5,228	-	488	488
Property, Plant and Equipment	-	4,51,238	4,51,238	-	4,43,875	4,43,875	-	2,31,306	2,31,306
Other Intangible assets	-	535	535	-	1,115	1,115	-	2,374	2,374
Other non-financial assets	80,181	11,442	91,623	88,312	17,985	1,06,297	84,082	8,426	92,508

	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
Liabilities	**Within 12 Months**	**After 12 Months**	**Total**	**Within 12 Months**	**After 12 Months**	**Total**	**Within 12 Months**	**After 12 Months**	**Total**
Derivative Financial instruments	5,302	-	5,302	4,395	-	4,395	4,322	-	4,322
Trade Payables	1,60,113	11,324	1,71,437	1,71,336	6,984	1,78,320	1,03,629	2,659	1,06,288
Debt Securities	27,641	1,57,094	1,84,735	35,545	85,747	1,21,292	3,783	93,996	97,779
Borrowings (Other than Debt Securities)	11,74,535	5,54,099	17,28,634	12,66,737	3,83,862	16,50,599	8,29,973	2,02,765	10,32,738
Subordinated Liabilities	25,350	1,58,030	1,83,380	1,667	1,81,134	1,82,801	35,774	1,22,619	1,58,393
Other financial liabilities	29,392	34,473	63,865	23,785	28,911	52,696	19,987	13,888	33,875
Current Tax Liabilities (Net)	93	-	93	-	-	-	-	-	-
Provisions	112	1,261	1,373	281	1,011	1,292	190	1,826	2,016
Deferred tax liabilities (Net)	-	18,490	18,490	-	17,845	17,845	-	7,680	7,680
Other non-financial liabilities	1,410	11,321	12,731	1,126	11,013	12,139	763	3,176	3,939

42. DISCLOSURE OF JOINT CONTROLLED OPERATION AS ON MARCH 31ST, 2019

During the year ended March 31st, 2017, the Company has entered into agreements with PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidut Limited ("SPVs"), respectively, for joint use and operation of certain assets in relation to Solar Power Generation project. These SPVs have already entered into 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 has been revised to 65:35 with effect from October 1st, 2018.

Accordingly, an amount of ₹ 2,030 Lakhs (March 31st, 2018 : ₹ 2,106 lakhs) has been recognized as "Sale of Power" 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.

43. SEGMENT REPORTING

The Company is primarily engaged in providing asset finance to customers in India. Consequently, there are no separate reportable segments as per 'Ind AS 108'.

44. (i) Information as required by terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions") is furnished vide Annexure – I attached herewith.

In line with the requirements of Para 9 of the Master Directions, the additional RBI disclosures have been prepared as per the prevalent accounting standards [being Indian Accounting Standards ('Ind AS') read with the Companies (Indian Accounting Standards) Rules, 2015 for the current year and erstwhile Accounting Standards as per Companies (Accounting Standards) Rules, 2006 for the previous year] insofar as they are not inconsistent with any of these Directions. In case of any inconsistency, the Company has followed the specific principles as prescribed in the Master Directions. The disclosures figures for the previous years are those as reported in the annual financial statement for the year ended March 31st, 2018, and have not been recasted/adjusted for Ind AS transition impact.

44. (ii) SECURITISATION AND ASSIGNMENT OF RECEIVABLES

44. (iia) Securitisation of receivables

In terms of Reserve Bank of India Guidelines on securitization of assets issued on February 1st, 2006, details of financial assets securitized by the Company during the year ended are as under:

(₹ in lakhs, except in respect of total number of contracts)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Total number of contracts securitized	7,305	9,459
Book Value of contracts securitized	1,03,331	95,057
Sales consideration*	1,03,331	95,057
Gain/(Loss) (net) on securitization	-	-
Subordinated assets as on Balance Sheet date	-	-

*excludes unmatured finance charges thereon.

The aggregate amount of collateral security provided by the Company against the securitized pools stands as follows on the Balance Sheet date:

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March31st , 2018
Bank/Other deposits provided as collateral as on Balance Sheet date	35,553	26,769
Credit enhancements provided by third parties;		
-First loss facility	-	-
-Second loss facility	-	-

44. (iib) Assignment of receivables

In terms of Reserve Bank of India guidelines on securitisation of assets issued on 21st August,2012, during the year ended March 31st, 2019, the Company has assigned financial assets to the extent of ₹ 417,086 lakhs (March 31st, 2018: ₹367,526 lakhs) for sale consideration of ₹ 4,17,086 lakhs (March 31st, 2018 : ₹ 3,67,526 lakhs). The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 47,879 lakhs (March 31st, 2018: ₹ 40,836 lakhs). Assets assigned are derecognized from the books of account. As at March 31st, 2019 the Company has lodged bank deposits of Nil (March 31st, 2018: Nil)as collateral against total assigned contracts outstanding at the year ended March 31st, 2019.

44. (iic) The aggregate amount of assets derecognized/loans originated till date in terms of paragraphs 44. (iia) to 44. (iib) above and outstanding as at year end are as under:

(₹ in lakhs)

Particulars	Amount outstanding as at	
	March 31st, 2019	March 31st, 2018
Securitization	1,37,992	1,27,917
Assignment of Receivables	5,47,776	4,29,196
Total	**6,85,768**	**5,57,113**

44. (ii) SECURITISATION AND ASSIGNMENT OF RECEIVABLES (CONTINUED)

44. (iid) In terms of Section A of Annex XX of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, details of contracts securitized by the Company and outstanding at the year ended March 31st, 2019 are as under:

		As at March 31st, 2019 #	As at March 31st, 2018 #
Sl.No	**Particulars**	**No. / (₹ in lakhs)**	**No. / (₹ in lakhs)**
1	No of Vehicles (SPVs) sponsored by the NBFC for securitisation transactions	14	11
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	1,37,992	1,27,917
3	Total amount of exposures retained by the NBFC to comply with Minimum retention ratio (MRR) as on the date of Balance Sheet		
	a) Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss	35,553	26,769
	* Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Loss	-	-
	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	-	-

\# The above figures are based on the information obtained from the SPVs, which is duly certified by the SPV's auditor.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

44. (ii) SECURITISATION AND ASSIGNMENT OF RECEIVABLES (CONTINUED)

44. (iie) In terms of Section B of Annex XX of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, details of contracts directly assigned by the Company and outstanding at the year ended March 31st, 2019 are as under:

		As at March 31st, 2019	As at March 31st, 2018
Sl.No	**Particulars**	**No. / (₹ in lakhs)**	**No. / (₹ in lakhs)**
1	No of transactions assigned by the Company	67	50
2	Total amount outstanding	5,47,776	4,29,196
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Requirement (MRR) as on the date of Balance Sheet		
	a) Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss	-	-
	* Others	62,400	47,697
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Loss	-	-
	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	-	-

44. (iii) DISCLOSURE OF RESTRUCTURED ACCOUNTS

In terms of Apendix 4 of Annex V of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

(₹ in lakhs)

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism: Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts on April 1st, 2018	No. of Borrowers	1 (3)	1 (2)	- (-)	- (-)	2 (5)
		Amount Outstanding	1,992 (10,690)	762 (1,743)	- (-)	- (-)	2,754 (12,433)
		Provision there on *	171 (982)	206 (472)	- (-)	- (-)	377 (1,454)
2	Fresh restructuring during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision there on *	- (-)	- (-)	- (-)	- (-)	- (-)
3	Upgradation to restructured Standard category during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision there on *	- (-)	- (-)	- (-)	- (-)	- (-)
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight and hence need not be shown as restructured standard advances at the beginning of the next year	No. of Borrowers	- (2)	- (-)	- (-)	- (-)	- (2)
		Amount Outstanding	- (8,726)	- (-)	- (-)	- (-)	- (8,726)
		Provision there on *	- (732)	- (-)	- (-)	- (-)	- (732)
5	Downgradations of restructured accounts during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision there on *	- (-)	- (-)	- (-)	- (-)	- (-)
6	Write-Offs of restructured accounts during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision there on *	- (-)	- (-)	- (-)	- (-)	- (-)
7	Restructured Accounts on March 31, 2019	No. of Borrowers	1 (1)	1 (1)	- (-)	- (-)	2 (2)
		Amount Outstanding	2,494 (1,992)	679 (762)	- (-)	- (-)	3,173 (2,754)
		Provision there on *	168 (171)	136 (206)	- (-)	- (-)	304 (377)

Figures in the bracket indicates previous year

* Provision as stated above includes provision for diminution in fair value of restructured advances

44. (iv) DISCLOSURE ON STRATEGIC DEBT RESTRUCTURING (SDR) SCHEME AS ON MARCH 31ST, 2019

(₹ in lakhs)

No. of accounts where SDR has been invoked	Amount outstanding: Classified as standard	Amount outstanding: Classified as NPA	Amount outstanding with respect to accounts where conversion of debt to equity is pending: Classified as standard	Classified as NPA	Amount outstanding with respect to accounts where conversion of debt to equity has taken place: Classified as standard	Classified as NPA
One number of Account	-	167	-	-	-	167
One number of Account	-	(167)	-	-	-	(167)

Figures in the bracket indicates previous year

44. (v) DISCLOSURES ON THE SCHEME FOR SUSTAINABLE STRUCTURING OF STRESSED ASSETS (S4A), AS ON MARCH 31ST, 2019

(₹ in lakhs)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding: In part A	Amount outstanding: In part B *	Provision held
Three number of account classified as Standard	11,716	6,779	4,937	2,343
Three number of account classified as Standard	(13,202)	(8,265)	(4,937)	(2,640)

Figures in the bracket indicates previous year.

* Note: Part B represents the Optionally Convertible Debentures and Equity received as per the S4A scheme.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

45. Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

Signatories to Notes 1 to 45.

On behalf of the Board of Directors

Sd/-
Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Sd/-
Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Place : Kolkata
Date: 17th May, 2019

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

1. Capital to Risk Asset Ratio (CRAR)

(₹ in lakhs)

Sl no.	Items	Current year	Previous year
(i)	CRAR (%)	16.08%	15.94%
(ii)	CRAR – Tier I Capital (%)	11.72%	10.68%
(iii)	CRAR – Tier II Capital (%)	4.36%	5.26%
(iv)	Amount of subordinated debt raised as Tier-II capital	6,928	60,517
(v)	Amount raised by issue of Perpetual Debt Instruments*	10,000	-

* As at March 31st 2019, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 13,750 lakhs (March 31st 2018 : ₹ 3,750 lakhs, April 1st, 2017: ₹ 3,750 lakhs) which is 4.56% (March 31st 2018 : 1.43%, April 1st, 2017: 1.56%) of total Tier I Capital.

2. Exposure to Real Estate Sector

(₹ in lakhs)

	Category	Current year	Previous year
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, multipurpose 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;	2,01,136	89,378
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	**Indirect exposure**	-	-
Total Exposure to Real Estate Sector		2,01,136	89,378

3. Exposure to Capital Market

(₹ in lakhs)

	Category	Current year	Previous year
(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; *	11,091	11,418
(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;	16,342	-
(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;	6,447	-
(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)	-	-
	Total Exposure to Capital Market	**33,880**	11,418

* Includes equity shares, optionally convertible debentures and compulsorily convertible preference shares acquired in satisfaction of debts.

4. Details of Assignment transactions undertaken by NBFCs

(₹ in lakhs, except in respect of total number of accounts)

SL No	Particulars	Current year	Previous Year
(i)	Number of accounts	11,483	6,963
(ii)	Aggregate value (net of provisions) of accounts sold	4,17,086	3,67,526
(iii)	Aggregate consideration	4,17,086	3,67,526
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

5. Asset Liability Management
Maturity pattern of certain items of assets and liabilities as at March. 31st 2019 are as follows:

(₹ in lakhs)

Particulars	Upto 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	78,831	85,805	94,653	1,26,175	2,54,648	8,67,319	4,25,938	2,26,502	21,59,870
	(1,28,204)	(95,563)	(87,225)	(1,59,736)	(3,12,261)	(10,13,955)	(3,92,133)	(38,153)	(16,04,969)
Investments	115	-	-	-	437	5,601	1,530	3,407	11,090
	(31)	(29)	(27)	(68)	(53)	(7)	-	-	(215)
Borrowing	50,964	43,767	71,428	1,16,012	2,22,223	7,11,253	4,96,093	2,70,868	19,82,608
	(63,610)	(1,03,988)	(1,92,810)	(1,50,785)	(2,00,733)	(6,31,869)	(3,79,989)	(1,58,146)	(18,81,930)
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign Currency Liabilities	2,434	15,200	20,936	32,648	5,504	10,207	-	-	86,929
	(1,079)	(2,987)	(2,187)	(12,357)	(18,445)	(6,984)	-	-	(44,039)

Figures in bracket indicate previous year's figures i.e. as on March 31st, 2018

Note :

The maturity pattern of working capital facilities including buyer's credit facilities, aggregated outstanding value being ₹ 9,30,692 Lakhs as at March 31st, 2019 (₹ 8,98,012 Lakhs as at March 31st, 2018), sanctioned by the banks has been apportioned in proportion to the maturity pattern of the advances. It may be noted that out of above working capital facilities, contractually cash credit facilities amounting to ₹ 6,80,692 Lakhs (previous year: ₹ 2,68,374 Lakhs) falls due within 1 year from the balance sheet date, while in respect of Working Capital Demand Loan (WCDL) amount of ₹ 30,000 Lakhs (previous year: ₹ 3,23,500 Lakhs) falls due within "upto 30/31 days"; amount of ₹ 1,45,500 Lakhs (previous year. ₹ 1,54,500 Lakhs) falls due 'over 1 month but upto 2 months'; amount of ₹ 4,500 Lakhs (previous year: ₹ 1,09,500 Lakhs) falls due 'Over 2 months upto 3 months' and amount of ₹ 70,000 Lakhs (previous year: ₹ 1,500 Lakhs) falls due 'Over 3 months & upto 6 months' from the balance sheet date and in respect of Buyers' credit facilities amount of ₹ Nil (previous year: ₹ 4,946 Lakhs) falls due within "upto 30/31 days", amount of ₹ Nil (previous year: ₹ 2,160 Lakhs) falls due 'over 1 month but upto 2 months'; amount of ₹ Nil (previous year: ₹ 3,563 Lakhs) falls due 'Over 2 months upto 3 months' ; amount of ₹ Nil (previous year. ₹ 8,367 Lakhs) falls due 'Over 3 months & upto 6 months' and amount of ₹ Nil (previous year: ₹ 21,601 Lakhs) falls due 'Over 6 months & upto 1 year from the balance sheet date. However, these working capital facilities have been subsequently renewed for a year after the balance sheet date.

The RBI in its inspection report under section 45N of the RBI Act, 1934, for the year ended March 31st, 2017 have stated that the working capital facilities are short term in nature and that their renewal on a year on year basis should not be considered for arriving at their residual maturity. However, the Company is of the opinion that the basis adopted by the Company is appropriate and consistent with the past practice and this matter is under further discussion with the RBI.

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2019		As at March 31st, 2018	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
6.	**Liabilities side:** **Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**				
	a) Debentures				
	- Secured	1,94,030	-	1,27,177	-
	- Unsecured (Other than falling within the meaning of public deposits)	1,86,562	-	1,85,979	
	b) Deferred Credits		-	-	-
	c) Term loans	6,35,957	-	4,94,662	-
	d) Inter- corporate loans and	-	-	-	-
	e) Commercial paper	31,747	-	1,84,125	-
	f) Other Loans (Tier II Loan, Buyers Credit, Working Capital Demand Loan etc)	9,47,753	-	9,06,712	-

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2019	As at March 31st, 2018
		Amount outstanding	Amount outstanding
	Assets side:		
7.	**Break-up of Loans and Advances including bills receivables [other than those included in (8) below]:**		
	(a) Secured	16,89,714	1,89,214
	(b) Unsecured	93,531	97,010
	Total (a) + (b)	**17,83,245**	**2,86,224**
8.	**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	43,613 #
	(b) Assets on operating Lease	Refer note 1	4,32,498 #
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	Refer note 1	50,297 #
	(b) Loans other than (a) above	Refer note 1	15,16,085 #

Note 1: The Company has not disclosed amount outstanding under assets financing activities as the RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to 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 22, 2019

With respect to determining the Company's eligibility of being classified as Asset Finance Company ("AFC"), the Company has consistently included inter alia (a) written down value of operation lease of vehicles, equipment, plant and machineries, computers, furniture and fixtures, etc. (b) financing in relation to used equipment and (c) repossessed assets.
During the year ended March 31st, 2018, the RBI has issued their inspection report under section 45N of the RBI Act, 1934, wherein they have declassified the above items from the computation to determine the eligibility of the AFC status of the Company as at 31st March 2017. The Company is of the opinion that the basis adopted by the Company is appropriate and the matter is under discussion with the RBI.

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2019 Amount Outstanding	As at March 31st, 2018 Amount Outstanding
9.	Break up of Investments		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Pass Through Certificates etc)	-	-
	Long term Investments		
	1. Quoted :		
	(i) Shares : (a) Equity	298	645
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	21	6
	(b) Preference	5,453	5,447
	(ii) Debentures and Bonds	5,319	5,320
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

Investments

(₹ in lakhs)

SL. No.	Particulars	Current year	Previous Year
10.	Value of Investments		
(i)	Gross Value of Investments	**11,091**	**11,418**
	(a) In India	11,091	11,418
	(b) Outside India,	-	-
(ii)	Provisions for Depreciation	-	-
	(a) In India	-	-
	(b) Outside India,	-	-
(iii)	Net Value of Investments	**11,091**	**11,418**
	(a) In India	11,091	11,418
	(b) Outside India	-	-
11.	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

(₹ in lakhs)

Sl. No.	Particulars	Current Year	Previous Year
12.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
(i)	Provision for depreciation on Investment	Nil	Nil
(ii)	Bad debts written off (Net)/Provision for Non Performing Assets (Note 1)	63,380	29,629
(iii)	Provision made towards Income tax	15,072	13,092
(iv)	Other Provision and Contingencies (with details)		
	- Provision for Employee Benefits	650	(183)
	- Provision for Standard Assets (Note 1)	(2,907)	4,573
		76,195	**47,111**

Note 1: The above provision figures have been computed in accordance with the provisioning norms as prescribed in the Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions").
The aggregate impairment amount on financial instruments as determined in accordance with the Expected Credit Loss Model under Ind AS and which ha been charged to the Statement of Profit & Loss stands at ₹ 52,918 Lakhs.

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

13. **Borrower Group-wise Classification of assets financed as in (7) and (8) above**

(₹ in lakhs)

Sl. No.	Category	Amount net of provisions					
		As at March 31st, 2019			As at March 31st, 2018		
		Secured	Unsecured	Total	Secured	Unsecured	Total
(i)	Related parties	Refer note 1					
	a) Subsidiaries				-	-	-
	b) Companies in the same group				1,184	-	1,184
	c) Other related parties				-	-	-
	Other than related parties				20,41,308	-	20,41,308
	Total				20,42,492	-	20,42,492

Note 1: The Company has not disclosed amount outstanding under assets financing activities as the RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to 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 28, 2019

14. **Investor Group wise Classification of all Investments in Shares and Securities**

(₹ in lakhs)

Sl. No.	Category	As at March 31st, 2019		As at March 31st, 2018	
		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	11,091	11,091	11,418	11,418

* As per IndAS 24 Related Party Disclosures as per ICAI

15. **Concentration of Advances**

(₹ in lakhs)

Sl. No.	Particulars	Current year	Previous Year
(i)	Total Advances to twenty largest borrowers	3,69,163	3,23,710
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	20.70%	19.11%

16. **Concentration of Exposures**

(₹ in lakhs)

Sl. No.	Particulars	Current year	Previous Year
(i)	Total Exposure to twenty largest borrowers / customers	3,89,246	3,34,616
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	20.64%	18.92%

17. **Concentration of NPAs**

(₹ in lakhs)

Sl. No.	Particulars	Current year	Previous Year
(i)	Total Exposure to top four NPA accounts	50,053	9,202

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

18. 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 engaged in the business of Infrastructure equipment financing. The portfolio has been bifurcated in sectors which are based on assets financed specifically in various Infrastructure sectors which includes IT, construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

19. Movement of Non Performing Assets (NPAs)

(₹ in lakhs)

SL. No.	Particulars	Current year	Previous Year
(i)	Net NPAs to Net Advances (%) *	5.34% #	1.3% ##
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	43,806	41,986
	(b) Additions during the year	1,30,408	24,448
	(c) Reductions during the year **	21,213	22,628
	(d) Closing balance	1,53,001	43,806
(iii)	**Movement of Net NPAs**		
	(a) Opening balance	30,800	29,903
	(b) Additions during the year	1,16,398	22,084
	(c) Reductions during the year **	19,582	21,187
	(d) Closing balance	1,27,616	30,800
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	13,006	12,083
	(b) Provisions made during the year	17,840	5,809
	(c) Write-off / write-back of excess provisions	5,461	4,886
	(d) Closing balance	25,385	13,006

* Net NPA on advances

** It includes write - off during the year

Net advances represents aggregate of Loan Assets, Trade Receivables, Net Block of Assets given on Operating Lease, Net block of Assets for Own Use (Plant and Machinery) and balances in Fixed Deposits Accounts. Assets for Own Use (Plant and Machinery) represent assets for use under Joint Controlled Operations

Net advances represents Long-term Financial Assets, Current maturities of Long-term Financial Assets, Short-term Financial Assets, Trade Receivables, Net Block of Assets given on Operating Lease, Net block of Assets for Own Use (Plant and Machinery) and balances in Fixed Deposits Accounts. Assets for Own Use (Plant and Machinery) represent assets for use under Joint Controlled Operations

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

20. Details of non-performing financial assets purchased :

(₹ in lakhs)

Sl. No :	Particulars	Current year	Previous Year
(i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
	(a) Of these, number of accounts restructured during the year	-	-
(ii)	(b) Aggregate outstanding	-	-

21. Details of Non-performing Financial Assets sold :

(₹ in lakhs)

Sl. No :	Particulars	Current year	Previous Year
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

22. Other Information :

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2019	As at March 31st, 2018
i.	Gross Non-Performing Assets		
	(a) Related Parties	-	-
	(b) Other than related Parties	1,53,001	43,806
ii.	Net Non-Performing Assets		
	(a) Related Parties		-
	(b) Other than related Parties	1,27,616	30,800
iii.	Assets/Receivables acquired in satisfaction of debt	30,072	44,239

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

23. Derivatives

Forward Rate Agreement(FRA)/Interest Rate Swap(IRS)

(₹ in lakhs)

SL. No.	Particulars	Current year	Previous Year
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	(585)	234

The nature and terms of FRA/IRS as on 31st March 2019 are set out below :

SL No.	Nature	Notional Principal (₹ in lakhs)	Benchmark	Terms
(i)	Hedging	Nil	USD LIBOR	Fixed Payable Vs Floating Receivable

24. **Exchange Traded Interest Rate (IR) Derivatives**

SL. No.	Particulars	Current year	Previous Year
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at year end	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark-to-market value of exchange traded IRderivatives outstanding and not "highly effective"	Nil	Nil

25. **Disclosures on Risk Exposure in Derivatives**

(i) Qualitative Disclosure

Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks, besides other market risks / core functions. The company has put in place the policies for hedging / mitigating risks / strategies and processes for continuous monitoring of risks, which will enable the company to quantify risk, both on account of Foreign Currency and Interest Rate Risks. Apart from ALCO there is a Risk Committee of the Board which guides the company in these risks. Risk is measured on the basis of Fair Value as on reporting date. The Board has delegated authority to company officials in the Treasury department for entering into Generic derivative products besides Forward Contracts, on behalf of the company, to hedge the Foreign Currency and Interest Rate Risk exposures. The company has a Risk Management Policy which paves the way for risk reporting and risk monitoring systems. The marked-to-market values are obtained from the banks with whom the hedge deals are done. The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark (LIBOR) on underlying liability, enters into the derivative contracts. The Company does not enter into derivative contracts for speculation or trading purposes.

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

(ii) Quantitative Disclosures

(₹ in lakhs)

Sl. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	**Derivatives (Notional Principal Amount)**		
	For hedging	2,63,856	Nil
(ii)	**Marked to Market Positions [1]**		
	a) Asset (+)	5,541	176
	b) Liability (-)	(4,541)	(761)
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

26. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Sl. No.	Particulars	Current Year	Previous Year
(i)	Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil

27. Registration obtained from other financial sector regulators : None

28. No penalties has been imposed by RBI and other regulators during the financial year ended 31st March 2019 and 31st March 2018

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

29. **Ratings assigned by credit rating agencies and migration of ratings during the year**

		Current Year				Previous Year			
Sl. No.	Particulars	CARE	ICRA	Brickwork	ACUITE (formerly SMERA)	CARE	ICRA	Brickwork	SMERA
(i)	Long Term Banking facilities	CARE AA*	-	-	-	CARE AA-	-	-	-
(ii)	Short Term Banking Facilities	CARE A1+*	-	-	-	CARE A1+	-	-	-
(iii)	Short Term Debt Instruments	CARE A1+ *	-	BWR A1+	-	CARE A1+	ICRA A1+	-	-
(iv)	NCDs/Bonds	CARE AA*	-	BWR AA+	ACUITE AA+	CARE AA-	-	BWR AA+	SMERA AA+
(v)	Unsecured Subordinated/Tier-II Debentures/Bonds	CARE AA-*	-	BWR AA+	ACUITE AA+#	CARE A+	-	BWR AA+	SMERA AA+
(vi)	Perpetual Debentures	CARE A+*	-	BWR AA-	-	CARE A	-	-	-

*Under credit watch with developing implications

#Under rating watch with developing implications

30. **Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Restructions**

Sl. No.	Particulars	Current Year	Previous Year
(i)	Nos of Accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of Accounts sold to SC/RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional Consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/loss over net book Value	Nil	Nil

31. **Overseas Assets (for those with Joint Venturers and Subsidiaries abroad :** Nil

32. **Off Balance Sheet SPV's sponsored :** Nil

33. **Details of Financing of Parent Company Products :** N.A

34. **Disclosure of Complaints**

Sl. No.	Customer Complaints	Current Year
(i)	No. of complaints pending at the beginning of the year	-
(ii)	No. of complaints received during the year	33
(iii)	No. of complaints redressed during the year	33
(iv)	No. of complaints pending at the end of the year	-

35. **Disclosure of Fraud**

DISCLOSURES RELATING TO FRAUD IN TERMS OF THE NOTIFICATION ISSUED BY RESERVE BANK OF INDIA VIDE DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17

During the year ended March, 31st 2019, no fraud was committed and reported to the RBI