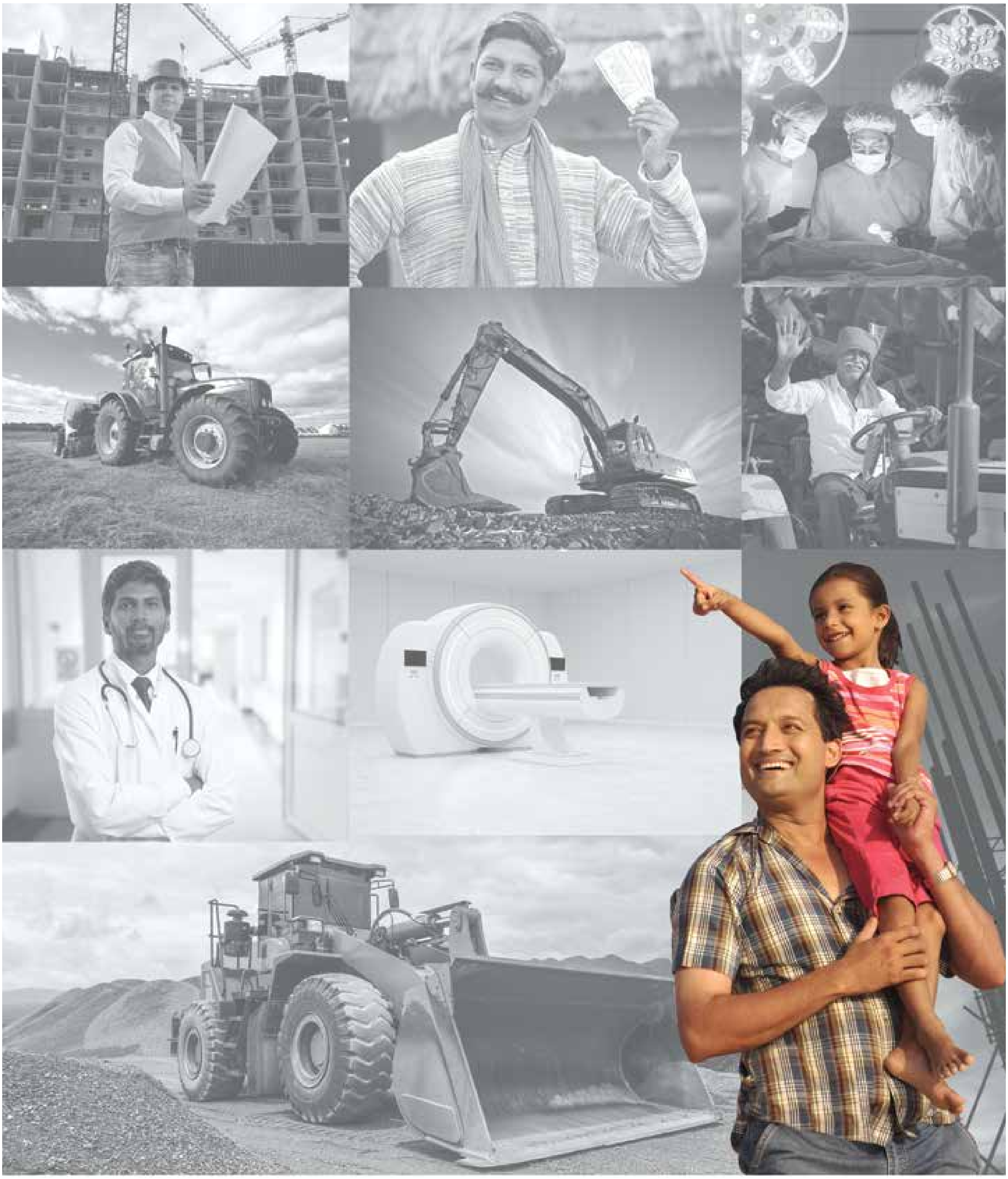
Srei Infrastructure Finance Limited

Annual Report 2019-20

Together We Make Tomorrow Happen

TRANSFORMING



Board of Directors
Mr. Hemant Kanoria
Chairman

Mr. Sunil Kanoria
Vice Chairman

Mr. Srinivasachari Rajagopal
Mr. Shyamalendu Chatterjee
Dr. (Mrs.) Punita Kumar Sinha
Mr. Ram Krishna Agarwal
Mr. Malay Mukherjee
Dr. (Mrs.) Tamali Sengupta

Chief Executive Officer
Mr. Rakesh Kumar Bhutoria

Chief Financial Officer
Mr. Sandeep Kumar Sultania

Company Secretary
Mr. Sandeep Lakhotia

Auditors
Haribhakti & Co. LLP
Chartered Accountants

Secretarial Auditor
Dr. K. R. Chandratre
Practising Company Secretary

Audit Committee
Mr. Malay Mukherjee
Chairman

Mr. Sunil Kanoria
Mr. Srinivasachari Rajagopal
Mr. Ram Krishna Agarwal
Mr. Sandeep Lakhotia
Secretary

Committee of Directors
Mr. Hemant Kanoria
Chairman

Mr. Sunil Kanoria
Mr. Shyamalendu Chatterjee
Mr. Sandeep Lakhotia
Secretary

Stakeholders Relationship Committee
Mr. Ram Krishna Agarwal
Chairman

Mr. Malay Mukherjee
Dr. (Mrs.) Tamali Sengupta
Mr. Sandeep Lakhotia
Secretary

Asset Liability Management Committee
Mr. Hemant Kanoria
Chairman

Mr. Malay Mukherjee
Mr. Ram Krishna Agarwal
Dr. (Mrs.) Punita Kumar Sinha
Mr. Sandeep Kumar Sultania
Secretary

Credit and Investment Committee
Mr. Malay Mukherjee
Chairman

Mr. Hemant Kanoria
Mr. Sunil Kanoria
Mr. Sandeep Kumar Sultania
Secretary

Risk Committee
Mr. Srinivasachari Rajagopal
Chairman

Mr. Malay Mukherjee
Dr. (Mrs.) Punita Kumar Sinha
Mr. Souren Mukhopadhyay
Secretary

Nomination and Remuneration Committee
Mr. Srinivasachari Rajagopal
Chairman

Mr. Malay Mukherjee
Dr. (Mrs.) Punita Kumar Sinha
Mr. Sandeep Lakhotia
Secretary

Corporate Social Responsibility Committee
Mr. Hemant Kanoria
Chairman

Mr. Ram Krishna Agarwal
Dr. (Mrs.) Punita Kumar Sinha
Mr. Sandeep Lakhotia
Secretary

Business Responsibility Committee
Mr. Ram Krishna Agarwal
Chairman

Mr. Malay Mukherjee
Mr. Rakesh Kumar Bhutoria
Mr. Sandeep Kumar Sultania
Mr. Sandeep Lakhotia
Secretary

Governance Committee
Dr. (Mrs.) Punita Kumar Sinha
Dr. (Mrs.) Tamali Sengupta
Mr. Malay Mukherjee
Mr. Sandeep Lakhotia
Secretary

Corporate Identification Number
L29219WB1985PLC055352

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6A Kiran Shankar Roy Road
Kolkata – 700 001

Listing
BSE Limited

National Stock Exchange of India Limited

Depositories
National Securities Depository Limited

Central Depository Services (India) Limited

Registrar and Share Transfer Agents
KFin Technologies Private Limited

35th Annual General Meeting on Saturday, September 19, 2020 at 11:00 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

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1 billion = 100 crore, 1 million = 10 lacs
All figures attributed to Srei are figures of Srei Consolidated unless otherwise stated.

TRANSFORMING

The Indian infrastructure sector has witnessed unprecedented and unexpected events across the last decade.

The sector has been affected by issues related to government policy changes, disputes and judicial pronouncements creating regulatory uncertainty.

The result is that capital access for various industry participants declined substantially and subsequently slowed the pace of investments in the sector.

This impasse translated into high sectorial delinquencies and affected the Balance Sheets of sector-financing entities due to long legal processes.

Srei, a key infrastructure financing player, transformed its business aligning it to equipment financing, its core strength, with speed. The Company invested in technologies to stay ahead in the digitalization curve, strengthen offtake and mitigate business risks. Besides, the Company made a conscious decision to exit project financing and focus on infrastructure equipment financing, its core strength, with to remain profitable across market cycles.

Srei is embracing transformation...

01 ...to deepen its commitment to values

02 ...to seek new opportunities

03 ...to enhance strategic agility

04 ...to drive efficiencies

05 ...to catalyse growth

06 ...to re-engineer the organisation

AT SREI, WE HAVE BEEN ENGAGED IN PROACTIVE TRANSFORMATION SINCE WE BEGAN OUR JOURNEY.

Adapting. Evolving. Responding. Capitalising.

In this prevailing environment, it is no different.

We are leveraging digital technologies to disrupt the way we do business.

We are exiting stagnant business segments to focus completely on rewarding spaces.

We are deleveraging our Balance Sheet with the objective to make growth profitable and sustainable.

We are entering new spaces to create multiple revenue engines.

WHAT DEFINES SREI...

Who we are

Incorporated in 1989, Srei Infrastructure Finance Limited has had a journey of more than three decades which has helped the Company emerge as one of India's largest holistic equipment financing institutions and the first private non-banking finance company to venture into the financing of India's infrastructure sector.

What we do

The Reserve Bank of India recognises the Company as an 'Infrastructure Finance Company'. Srei's primary business is asset leasing and the financing of productive assets like infrastructure equipment.

What our values are

Vision: To be the most inspiring & trusted holistic asset financing institution.

Mission: An Indian multinational providing innovative & integrated asset financing solutions.

VALUES

- Customer partnership
- Respect for people
- Integrity
- Stakeholder value enhancement
- Passion for excellence
- Professional entrepreneurship

Who leads us

Srei is spearheaded by Mr. Hemant Kanoria (Chairman) and Mr. Sunil Kanoria (Vice Chairman), who are, in turn, led by an experienced Board of Directors and a strong management.

1989 Since the Company has been engaged in the financing and leasing of infrastructure equipment

Where we are located

Srei is headquartered in Kolkata and has a strong Pan-India presence

22 States

75 branches

Where we are listed

The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

Who have partnered us

Srei attracted financing support from the following leading global financial institutions

Our stakeholders

Customers | Employees | Investors

Society | Planet

THE IMPACT OF OUR TRANSFORMATION: OUR GROWTH JOURNEY

1989
Commenced operations; identified infrastructure equipment financing as its core business

1992
Initial public offering; became a listed company

1997
Attracted investments from IFC, Washington (World Bank Group), DEG (Government of Germany) and FMO (Government of The Netherlands)

Commenced infrastructure project financing with the support of IFC and other international institutional investors

2005
Became one of the first Indian NBFIs to be listed on the London Stock Exchange

2008
Entered into a joint venture with BNP Paribas to grow the equipment financing business

Introduced several new product lines

2010
Created a unique infrastructure financing institution

2011
Gained 'Infrastructure Finance Company' and 'Public Finance Institution' status

2014
Strategised to focus on equipment financing business

2016
Consolidated 100% shareholding in the equipment financing business

2019
Completed 30 years in existence

Stepping up investment in technology to embrace digitalization

Becoming more active in co-lending through tie-up with banks

CHAIRMAN'S MESSAGE

Dear Shareholder,

This year has been both interesting and intriguing. The whole world has witnessed an event of a pandemic after almost a century. Totally unprepared, and taken by absolute surprise. Humanity has been exposed to the might of Nature and its release of an invisible virus which has caused huge damage and created a great scare.

The foremost priority for all countries and their respective leaders has been to arrest the spread of COVID-19 and save lives of people, taking care of their health and safety. Most countries, depending on their economic resources and severity of the pandemic, have announced stimulus packages. Many countries have opted for lockdowns, from complete to partial and some continual. But, almost all countries had to take the economic brunt in varying degrees. This is indeed intriguing and for mankind to draw an unforgettable lesson.

The interesting part is the adoption of technology. The resilience and adaptability of humanity towards a new way of life and livelihood is indeed praiseworthy. In the last few decades, the "technology and digitization" revolution has empowered humans to rapidly move on to the tech-enabled platforms and conduct their lives under lockdown, work from home and align their habits with relative ease during the present uncertain times. It is amply clear that this year and the next one will remain unpredictable. Therefore, a flexible business strategy would be the success mantra for all companies globally.

The year gone by

The year under review was another difficult year for the Non Banking Financial Company (NBFC) sector. Ever since the IL&FS episode in 2018, the NBFCs have found it extremely challenging to access institutional credit. This trend persisted throughout the year under review, making it difficult for the NBFCs to step up lending. On top of that, the economy kept slowing down quarter on quarter. The COVID-19 pandemic has aggravated the problem of the financial sector. The pace of infrastructure creation also remained stagnant. Consequently, your Company's disbursements remained constricted. But, by adhering to superior credit, better asset quality and by taking strategic decisions on re-orienting the focus of business, your Company has been relatively stable, even during difficult times. This has been aptly reflected in your Company's financial results.

During the year under review, your Company posted a consolidated income of Rs. 5,974 crore (8 per cent lower than last fiscal's Rs. 6,517 crore) and registered

a net profit of Rs. 89 crore (compared to last year's Rs. 487 crore). Your Company's consolidated disbursements stood at Rs. 11,681 crore (27 per cent lower than last year's figure of Rs. 21,229 crore). The consolidated net worth of your Company stood at Rs. 4,043 crore, while the consolidated assets under management stood at Rs. 44,835 crore. Thus, clearly your Company's performance has remained strong during the year under review.

In the past six years, it has been a conscious decision on part of the management to grow the equipment financing business where we have market leadership, and to gradually bring down our exposure to project financing where the progress has been slow due to various policy hindrances. As a logical conclusion to that process, during the year under review the management carried out a slump sale of Srei Infrastructure Finance Limited to Srei Equipment Finance Limited which involved the transfer of businesses, assets and liabilities (including the liabilities towards outstanding non-convertible debentures issued by SIFL). This will enable SIFL to focus on specific areas of expertise to expand its fee-based businesses, and at the same time it will enhance SEFL's attractiveness to strategic investors. In fact, in future, if the Reserve Bank of India (RBI) allows NBFCs to convert to banks, SEFL will be a ready candidate for that.

As a result of the outbreak of the COVID-19 pandemic, three sectors which have turned out to be vital are healthcare, agriculture and technology. The demand for equipment in these sectors is bound to go up. Since your Company has already diversified into these three asset classes, we clearly have a head-start.

Our employees being our best assets and our core strength, the Company has always excelled in taking care of them. This has been duly acknowledged as the Company has been featured among the top 100 in the "Great Place to Work" list of Indian companies during the year.

As liquidity, the core ingredient of your Company's business, will be scarce in the near future, the business has been aligned accordingly with more of co-lending programmes with both public and private sector banks. The strategy for the ensuing year will be to conserve cash by conducting low risk business, reduce cost wherever practically possible, focus on improving customer relationship with a view to have better recovery and to make technology the principal medium for doing business.

As in previous years, the management has continued investing in technology to adapt to the digital way of doing business. This paid off in a big way when the country went into lockdown towards the end of the year. The entire team could seamlessly switch to 'work from home' mode and carry on their functions from remote locations.

Our employees being our best assets and our core strength, the Company has always excelled in taking care of them. This has been duly acknowledged as the Company has been featured among the top 100 in the "Great Place to Work" list of Indian companies during the year.

Thus, in a challenging year, your Company has put up a decent performance by adapting well, managing the risks prudently and setting new milestones on innovation. A conservative approach may have slowed down our disbursements and led to a marginal dip in the assets under management, however our credit quality has been superior. The very fact that Srei is the only private entity still standing tall in its category speaks volumes about the resilience of its business model.

The shape of things to come

Humanity is standing at an inflection point today. The pandemic has made one thing very clear – the future will be vastly different from the past. There is a clear discontinuity and we are witnessing the emergence of a new world order with many "normal"s. Just like the changes that have happened in the way we live and socialize, the workplace environment and the way we carry out our day-to-day operations are transforming too. Your Company too has embraced changes. With safety of the employees being our top priority, the highest standards of cleanliness and hygiene are being adhered to in all our offices. Strict protocol for social distancing is being maintained at the offices where employees have returned after the lockdown. At the same time team members are being encouraged to continue to work from home wherever possible.

The fundamentals of certain industries will change forever and many would need to re-engineer their business models in order to survive. In fact, many big names – both global and Indian, new-age players as well as established brands – have already become victims of this pandemic. In this scenario, I believe it will be the nimble and flexible players which will emerge relatively unscathed from this crisis.

To what extent would a company be able to cope with the changes depends on its adaptability, its innovativeness, the foresight of its management, the resilience of its business model and to some extent also on the changes that a proactive government makes in its policies. Your Company is well placed on the first four fronts, but government policy is a constantly changing one that we have to deal with.

We realized early that Fintech is our future. Over the years, we have readied ourselves for the Digital Age by proactively investing in technology and increasing the digital footprint across operations. The platform created has the ability to bring together stakeholders and virtually gives us a head-start over our peers as social distancing becomes a global norm. Going forward, two focus areas would be to strengthen the group's cyber security and to enhance the overall tech-preparedness of the team through extensive training. While technology will be a huge enabler in making informed decisions and in reducing the turnaround time, it is up to the team members on how well they are able to leverage technology to deliver better solutions, shape new innovations and enhance customer delight. For that, our team members must continuously upgrade their skills in order to remain relevant. In fact, during this lockdown phase, our team members have regularly organized knowledge sharing exercises which have enriched everyone.

In this Digital Age, as more and more activities and transactions switch to online mode, the digital trail generated will be closely monitored by government agencies for the purpose of prediction of future crisis or pandemic. Artificial Intelligence (AI) is poised to play a critical role in this digital surveillance. In fact, even in the corporate set-up, we are likely to see increased use of AI-driven checks on customer profiles, new joinee backgrounds, competitor behaviour, tracking of assets financed, and much more. Organizations and individuals need to come to terms with this surveillance which is for the greater good of the society.

This pandemic has taught everyone the importance of liquidity management. For almost 3 months since the lockdown, your Company had less realizations from customers and reduced access to institutional funding, in spite of that the liabilities have been prudently met. This has been possible because of the traditionally conservative mindset we have inculcated when it comes to liquidity management. Going forward, this will be core to our risk mitigation strategies and the management is working on a new liquidity management policy. For the sake of our stability and continuity, we will not mind going slow on our disbursements if the situation demands.

I believe that this tendency to save more for the rainy day will become a prevalent trend both among corporations as well as individuals. As a corollary to this frugality, the world is heading towards a shared economy. Be it sharing cab rides or watching online content using the same device at individual / family levels, or corporates coming together to share resources (like office spaces, logistics, or even employees) to optimize their costs, shared economy will be the key to survival in the new age. Sharing and collaborating is nothing new for your Company. Our business model has thrived on collaborations – be it with our customers, or OEM partners, or with financial institutions, and even other corporations. The on-lending model that we have embraced is a prime example of this shared economy model. Going forward, your Company will be open to the possibility of exploring more such collaborations with diverse players in different fields so that we can strengthen our operations.

To sum up, we are heading towards a future which would be short of excesses, more innovative and efficient, and probably cleaner and safer. Many of the trends which have become prevalent after the pandemic were already there in our society, but at very nascent stages. The lockdown, in fact, just accelerated their general acceptance amongst the masses.

Conclusion

Your Company has weathered several storms in the past and every time we have emerged stronger. Though this crisis cannot be compared to any of the previous ones, but this time too, we will stay on course. Not only has your Company remained ahead of the curve, the team members used this lockdown to organize virtual classrooms to enhance their knowledge and for sharing experience. By the time the unlocking started, the team was ready with a strategy to take on an uncertain future. The ingenuity of the human brain combined with the power of technology makes your Company capable of scaling new heights. We look forward to receiving your continued support in this exciting journey ahead.

Thank you.

Hemant Kanoria

HEMANT KANORIA
Chairman

Q&A

SUNIL KANORIA
Vice Chairman

During the year under review, Srei reported revenues of Rs. 5,974 crore as against Rs. 6,517 crore of revenues in 2018-19. Besides, Srei reported EBIDTA of Rs. 4,716 crore as against Rs. 5,070 crore in 2018-19. Disbursements were Rs. 11,681 crore in 2019-20 as against Rs. 21,229 crore in 2018-19.

Q. How would you evaluate the performance of the Company in 2019-20?

A. In 2019-20, economic growth de-accelerated, evident from a quarter-on-quarter GDP growth decline. Consequently, the pace of India's infrastructure creation moderated, which impacted the performance of our company. More than the declining growth rate, it was the continuing credit squeeze within the Indian economy that affected our performance. Following the IL&FS collapse in September 2018, banks and funding institutions became increasingly averse in lending to NBFCs. Whatever measures the government and RBI came up with to address the liquidity issue benefited only a handful of NBFCs, most of whom were engaged in consumer financing. With access to sources of liability being limited, lending to capital-intensive projects became challenging and NBFCs were forced to moderate disbursements. Given these sectorial realities, Srei reported a modest performance in 2019-20, which was ensured mainly on account of the management's timely decision to restructure its business model towards asset-lightness and digitalization.

Q. Can you elaborate on the change in the business model that translated into Srei's performance in 2019-20?

A. Srei's business model is weighted towards equipment financing once more. Based on in-depth customer profiling, domain knowledge of the asset life-cycle and our innovative capability, we enjoy a market leadership in financing infrastructure, mining and construction equipment. In recent years, we ventured into other productive asset classes in the healthcare, agriculture and technology sectors as well.

The Company selected to exit the project financing space on account of sectorial challenges. The reality is that private investment in India's infrastructure is steadily declining. Over the last four years, Srei too moderated its project financing exposure and refrained from engaging in large-ticket financing. The culmination of this process was manifested in the slump sale of Srei Infrastructure Finance Limited to Srei Equipment Finance Limited, which comprised the transfer of businesses, assets and liabilities (including outstanding non-convertible debentures issued by SIFL) to SEFL. This will now help us focus on equipment financing. Meanwhile, SIFL will switch to a fee-based revenue model. The revised corporate structure will help the Company to concentrate on specific areas of expertise that will enable the Company to increase efficiency, scale, profitability, competitiveness and customer delight.

I must add here that Srei is also switching to an asset-light model as a part of this transformation. Apart from exiting project financing, we have undertaken portfolio sale. In 2019-20, the proceeds from portfolio sale stood at around Rs. 4,500 crore and moderated disbursements to enhance asset quality.

Srei's co-lending model catalyzed the transformation. This model, launched by RBI in 2018, aims at aggregating the strengths of banks and NBFCs; it allows banks to fulfill their priority sector lending obligations and serve customers in inaccessible geographies by leveraging the reach and distribution capabilities of the NBFC sector. During the year under review, Srei added more than Rs. 200 crore to revenue through this co-lending model and I am confident that this number will keep growing.

Q. Going forward, how does Srei intend to strengthen its presence?

A. Over its three decade-plus history, Srei has continuously evolved in response to socio-economic and regulatory changes. Going forward, Srei will strengthen its market presence by focusing on key areas.

One, as already mentioned, exiting the project financing business will make the Company more nimble. In today's uncertain times, this flexibility will be a key differentiator between winners and losers. Using our rich domain knowledge and expertise, we will continue to tap multiple opportunities across the entire infrastructure equipment life-cycle. The COVID-19-induced lockdown highlighted the critical role being played by sectors like healthcare, agriculture and technology. Srei is present in financing assets in these sectors and the time is right to increase its presence in these spaces as we foresee a spurt in activity, validating our commitment to financing any productive asset contributing to national progress.

Two, Srei was one of the first NBFCs in India to leverage the co-lending model. The result is that sole lending and co-lending will co-exist, but we will embrace co-lending in a manner that this allows us to build long-term relationships and forge partnerships with more banks. We need to work closely with banks for our mutual benefit. Banks enjoy a continuous steady source of low cost liability, something which we lack. Meanwhile, we enjoy a distribution and reach that banks cannot match. While banks can leverage our channels to reach out to MSMEs and other grass-roots entrepreneurs, we too will be able to access low-cost funds from banks. The co-lending model is symbiotic; it would help us de-risk our Balance Sheet by limiting our exposure to 20% of the loan amount while, at the same time, grow

The National Infrastructure Pipeline

An investment plan unveiled by the Indian government for strengthening infrastructure in identified sectors

A first-of-its-kind exercise to provide world-class infrastructure that enhances life quality

Out of the total NIP of Rs. 111 lakh crore, Rs. 44 lakh crore (40%) worth of projects are already under implementation

Some Rs. 34 lakh crore (30%) worth of projects are at a conceptualisation stage

Some Rs. 22 lakh crore (20%) worth of projects are under development

Between 2020 and 2025, the focus sectors will be energy (24%), roads (18%), urban (17%) and railways (12%)

The Centre (39%) and States (40%) are expected to have an almost equal share in implementing the NIP in India, followed by the private sector (21%)

our fee income (given our sourcing and collection responsibilities).

Three, following the implementation of GST, India's leasing market provides attractive opportunities. Leasing has been the most cost-effective mode of capital formation the world over. For a cost-conscious Indian customer, leasing represents the ideal 'value for money' solution. Instead of a huge sunk cost in terms of outright purchase, taking equipment on lease for defined periods as per project requirements proves more economical for the user. In addition, through this route, the lessee can avail of tax benefits on account of a faster write-off of lease rentals. We believe that leasing has tremendous potential and our company will be attractively placed to promote leasing in India in a major way.

Four, 'Fintech' is the future and social distancing is the new normal. In view of this, Srei will leverage its digital platform iQuippo to source new business. When launched, iQuippo was the first marketplace for infrastructure equipment transactions (buying, selling and financing). We believe that this multi-participant platform has redefined the way infrastructure equipment is bought, sold and financed in India. It is serendipitious that we had this model ready and functioning even before the outbreak of COVID-19. In the coming months and years, this platform will prove invaluable. We are also using this platform to promote co-lending and for financing pre-owned and used equipment. A deeper focus on platform-driven opportunities will make it possible for Srei to generate attractive interest income through equipment financing, fee income and product cross-sale.

The result is that we now possess a transformed business model that is agile, asset-light, blended (interest and fee incomes), pervasive (digital platform) and future-ready.

Q. What were the challenges during this transformation journey?

A. The external challenge comprised an economic slowdown that was evident even before the COVID-19 outbreak, which was aggravated by the pandemic. It will be quite some time before the economy makes a full-fledged recovery. The subdued demand will be an ongoing challenge that we will need to cope with during the ongoing transformation.

As regards the internal challenge, I feel it is about people, mindsets and capabilities. The acceptance of the need to transform could have been quicker. Now that there is a buy-in from everyone, the emphasis will be on re-orienting our team-members through re-training and by inducting fresh blood wherever talent gaps need to be filled. Developing technology-related competence is a major focus area. With the rise in digital footprint, cyber-security is being accorded the highest priority by the management.

> 'Fintech' is the future and social distancing is the new normal. In view of this, Srei will leverage its digital platform iQuippoto source new business. When launched, iQuippo was the first marketplace for infrastructure equipment transactions

Q. What is the outlook for the NBFC sector?

A. The role of India's USD 400 billion NBFC sector cannot be ignored. The sector plays a critical role in driving the Indian economy by catering to those segments of society that are not covered by the banking sector. By virtue of their penetration and deep understanding of customer needs, NBFCs deliver timely credit at the base of the country's economic pyramid. They represent a lifeline to start-ups and MSMEs, who represent the wheels of a modern India; they have been instrumental in fostering livelihoods across rural and semi-urban India. NBFCs enjoy a proven track record in promoting financial inclusion and encouraging grassroots-level entrepreneurship. This sector has played a critical role in infrastructure growth and nation building, validating their criticality in India's financial ecosystem.

What is needed at this stage is a comprehensive review of the regulatory and policy framework within which NBFCs operate. India is not yet a developed country, so the replication of regulations from developed nations should not be applied here. Our policies and regulations must keep pace with the growth of our nation and must be attuned to the needs of a growing economy. It has to be understood that the NBFCs operate in different domains, cater to niche segments and have different business models (even the RBI has given them different nomenclatures) but are subject to

The National Infrastructure Pipeline, conceptualized to raise the country's infrastructure to at par with standards in developed countries, envisages an investment of Rs. 111 lakh crore in infrastructure projects to be implemented over five years till 2025.

almost the same rules and regulations. This 'one size fits all' approach is not conducive for the healthy growth of the NBFC sector. As and when a black sheep from within the sector is exposed, the subsequent regulatory tightening can make things difficult for compliant and honest players. The result is that the following credit crunch has actually harmed the economy more that protected it. The demand at the base of the country's economic pyramid and the entrepreneurial drive have disappeared. With the COVID-19 pandemic further aggravating matters, we fear that the situation can metamorphose into a systemic risk.

Urgent measures are therefore needed to widen the source of liabilities for certain categories of NBFCs so that the economy can be revived. There are certain NBFCs whose functions are similar to banks. While there has been asset-side convergence of regulations for such NBFCs vis-à-vis banks, on the liability side these NBFCs are at a serious disadvantage compared to banks. It would only be logical to proactively encourage such NBFCs to either convert themselves into banks or merge with banks.

Q. Do you think there will be adequate opportunities from India's infrastructure sector ?

A. Building world-class infrastructure has always figured high on this government's agenda and represents the key to building a strong and vibrant India. The Prime Minister emphasized this point when he spoke of how the new India needed to be more self-reliant and self-assured. The National Infrastructure Pipeline, conceptualized to raise the country's infrastructure to at par with standards in developed countries, envisages an investment of Rs. 111 lakh crore in infrastructure projects to be implemented over five years till 2025.

However, for sustained investment flows into infrastructure, government spending alone will not suffice. At some stage, private investment will need to make a comeback. Allowing

a bigger private role in sectors like mining, railways, aviation and several others will generate a larger demand for infrastructure equipment, widening opportunities for a company like ours. However, what can be the real game-changer in terms of opening the floodgates for private investment in infrastructure would be embarking on the 4-L strategy - removing structural bottlenecks of land, labour, liquidity and laws - which the Prime Minister touched upon in one of his addresses to the nation.

The acquisition of land has been a major irritant in industrialization and infrastructure projects. The land market has been most distorted because of archaic legislations that do not meet the nation's changing needs. The following reforms need to be taken up:

- Clear titling and removal of rigidities regarding land-use conversion will result in a well-functioning land market. Land being a subject on the State List, state governments must be incentivized by the Centre to proactively undertake reforms to allow land-use conversion. This will help land owners realize greater sales value and help state governments attract investments.

- A consolidated national land database, on the lines of the AADHAR initiative, will address disputes regarding land ownership. A pan-India exercise to capture the details of all land resources and digitizing these records could go a long way in promoting agriculture, industry and infrastructure creation.

- Land should be brought under GST coverage so that the stamp duty can be subsumed within GST with a lower GST rate of 5%, simplifying taxation implications in case of land sale. Land should be VAT-able so that at every stage of transaction the value-added portion is taxed, adding to the government's revenues and enhancing transparency through a systematic maintenance of land records.

India's labour laws must be reviewed and simplified. While some of the state governments have started making progress on labour reforms, the following need to be taken into consideration to make the reforms more acceptable:

- 'Hire and fire' policy can be promoted if it is aligned with the 100-day minimum guaranteed work scheme under MGNREGA.

- The compensation should be on the basis of working hours and not the number of days to eliminate exploitation.

- The Centre needs to communicate to stakeholders how working in the formal sector by embracing labour reforms is far more advantageous than working conditions and probable health hazards in the informal sector.

- The government and industry need to collaborate in creating an ecosystem for skill upgradation. This can be a major incentive for workers to join the formal sector as they would be able to upskill at regular intervals.

On the liquidity front, while RBI permitted financial institutions to offer a six-month moratorium on term loan repayments to their borrowers, this can provide only temporary relief. As the cash flow mismatch is likely to be extended, there is a need to think beyond the moratorium through the following interventions:

- The RBI could allow a one-time restructuring of stressed loan accounts. Lenders need to sit with their stressed borrowers and work out a revised repayment schedule based on prospective cash flows and the value of assets and collaterals.

- RBI can strengthen this process by not allowing any degradation in asset quality and by doing away with the practice of making provisions for such restructured loans.

The legal infrastructure and framework needs an overhaul to improve India's investment and entrepreneurship climate:

- Law makers need to frame rules that can provide broad guidance, instead of being too descriptive by focusing on nitty-gritty. A large number of firms are not even in a position to adhere to such rules as they do not possess the wherewithal to do so.

- Laws, while being framed, should not just cover the academic angle but cover the execution angle as well. Thus, feedback and involvement of actual practitioners from each sector should be imperative while framing policies and rules.

- No amendment in laws should be made with retrospective effect as that can unsettle the business model of existing players and make investments unviable.

Q. How is Srei likely to perform in 2020-21?

A. Economic growth will remain a challenge in 2020-21. Srei's primary focus will be on increasing the stability of the business model, building resilience and ensuring that there is no deterioration in asset quality. There is a greater premium on the protection and preservation of our Balance Sheet, which we are addressing by restructuring the Balance Sheet in line with existing realities.

SREI'S ATTRACTIVE EQUIPMENT FINANCING OPPORTUNITIES

A letter from D.K. Vyas, Managing Director, Srei Equipment Finance Limited

While the infrastructure industry and construction sector have been experiencing a slowdown for the last three years, the outbreak of the Covid-19 pandemic and subsequent lockdown have compounded the slowdown, resulting in a severe illiquidity.

This reality could result in a temporary 20-25% decline in the construction equipment market that could eventually catch up with its true potential as the long-term growth story of India's infrastructure sector remains intact. Much of our optimism is derived from the government's commitment to build world-class national infrastructure. In line with this aspiration, the government announced the building of a national infrastructure pipeline (NIP) of projects, entailing investments of Rs. 111 trillion over five years ending 2025. Of the total NIP investments, projects worth Rs. 44 trillion (40%) are already under implementation, projects worth Rs. 33 trillion (30%) are at a conceptual stage and projects worth Rs. 22 trillion (20%) are under development, while information was unavialable for projects to the extent of Rs. 11 trillion (10%).

To address liquidity issues, Srei will continue to leverage co-lending partnerships with banks to de-risk the Balance Sheet. The co-lending model attempts to leverage the reach and distribution capabilities of NBFCs and low-cost funds of the banking industry with the objective to service the growing needs of the priority sector. We are confident that this model will de-risk our Balance Sheet, limiting our loan exposure to 20% of the total disbursed amount on the one hand, while growing our fee income on the other.

Another focal point in 2020-21 will be on the financing of used equipment lying under-utilized in different geographies. We believe that this pre-used segment is likely to remain buoyant as it could reduce their cost of equipment acquisition. Srei's strategy will be to understand the ways in which it can make this equipment - in good and usable condition - accessible to customers.

Srei will also focus on ways to re-condition pre-used equipment to make them saleable. On the same lines, the Company's focus will be on financing used equipment, working with our banking partners to help customers. Srei is providing customized flexible solutions to assist contractors operate at maximum efficiency. The Company is offering solutions to reduce their project cost through buy-back arrangements or through prudent crediton the basis of a three-decade knowledge of equipment type, geography and customer.

The ongoing crisis is a testing time for the industry and government. There is a growing recognition that the pooling

> The Company is working on various exchange programs and assisting people in re-deploying their fleet or replenishing them through our auction and rental platform.

of idle equipment, strengthening rental companies and flexible financing through NBFCs, if emphasized, could emerge as a win-win proposition for buyers and OEMs facing liquidity challenges.

There is a likelihood of a shift in customer behaviour. In view of this, there is a premium on the need to create an ecosystem that provides services like renting. Following this crisis, customer behaviour is expected to shift from equipment ownership to equipment renting as few would be willing to buy immediately after the lockdown has been completely lifted. In view of this, the rental and leasing markets will represent key opportunities for the industry. In view of this, leasing penetration in India is expected to improve from 3% to 10%. The rental business will release systemic capital, and the industry will need to capitalize on these emerging renting opportunities.

Srei's responsiveness on leveraging digital platform

Even as the COVID-19 pandemic has crippled economies worldwide, it has also paved the way for industry to conduct business in an unprecedented manner.

Indians believe in 'touch and feel' and face-to-face customer conversations. Post-COVID-19, this reality could change, marked by lower physical engagements and a combination of face-to-face and digital interaction. The pandemic has empowered financial institutions to significantly accelerate their shift towards digital channels to facilitate contactless customer engagement.

While Srei was proactively focussing on conducting business digitally through its platform partner iQuippo since 2017, the pandemic has helped in re-strategizing and accelerating the graduation to end-to-end digitization. Srei embraced COVID-19 as an opportunity than a challenge. Through iQuippo, we are seeking to work with OEM partners and dealers to on-board them on our digital marketplace portal, empowering customers to handpick equipment online and place online orders to their respective dealers, respecting social distancing norms. iQuippo offers yard management services for third-party parking and fleet management. The Company helps customers participate in online auctions on our digital platform to buy/ sell equipment at the most competitive rates. Besides, the Company is also trying to on-board all financing partners to provide customers with a one-stop financing solution.

The Company is working on various exchange programs and assisting people in re-deploying their fleet or replenishing them through our auction and rental platform.

Srei redefined its marketing strategies towards digital marketing. The previous marketing strategy focused on physical channels and customer interaction through loan melas and exhibitions. Today the Company's focus is more on digital, video and call centre engagements with customers in keeping with the norms for social distancing.

Since construction activities were relatively low due to COVID-19 outbreak and lockdowns, the Company utilised its iQuippo portal to aggregate information on asset types customers are seeking to understand demand patterns and proactively address realities once the situation normalizes. At a time of relatively low business, the Company is utilizing its portal to continuously engage with partners and customers, deepening its relationship.


45% CORN
RICE 45%
719
583

ANALYSIS OF FINANCIAL STATEMENT 2019-20

1. Analysis of Consolidated Balance Sheet

Highlights, 2019-20

Capital to Risk Asset Ratio was 21.37% as on March 31, 2020 against 15.57% as on March 31, 2019. Net Worth changed to Rs. 4043 crore as on March 31, 2020 from Rs. 3935 crore as on March 31, 2019. Debt-equity ratio was 7.99 as on March 31, 2020 as against 8.56 as on March 31, 2019.

Capital employed changed from Rs. 37,595 crore as on March 31, 2019 to Rs. 36,362 crore as on March 31, 2020.

Assets

Cash and Cash Equivalents

Cash and cash equivalents have increased by about 28% to Rs. 400 crore as on March 31, 2020 as against Rs. 313 crore as on March 31, 2019.

Bank Balance

Bank Balance have decreased by about 23% to Rs. 1,320 crore as on March 31, 2020 as against Rs. 1,712 crore as on March 31, 2019.

Derivative financial instruments

Derivative financial assets have increased by about 266% to Rs. 300 crore as on March 31, 2020 as against Rs. 82 crore as on March 31, 2019. This represents the marked-to-market value of derivative contracts.

Trade Receivables

Trade receivables have decreased by about 36% to Rs. 181 crore as on March 31, 2020 as against Rs. 282 crore as on March 31, 2019. Due till three month have decreased from Rs. 268 crore in the previous year to Rs. 174 crore as on March 31, 2020.

Loans

This largely comprises outstanding equipment finance & infrastructure finance loans given to customers.

Net Loans marginally increased from Rs. 28,144 crore as on March 31, 2019 to Rs. 29,032 crore as on March 31, 2020, which include credit extended in the nature of Term loan, Leasing, intercorporate deposit and Letter of Credit. The gross outstanding balance under this category moved from Rs. 27,853 crore, Rs. 754 crore, Rs. 4 crore and Rs. 924 crore respectively as on March 31, 2019 to Rs. 30,406 crore, Rs. 61 crore, Rs. 2 crore and Rs. 171 crore as on March 31, 2020.

Consolidated Gross NPA to total assets decreased from 9.77% as on March 31, 2019 to 8.43% as on March 31, 2020, whereas consolidated net NPA to total assets decreased from 7.60% as on March 31, 2019 to 5.56% as on March 31, 2020.

Investments

Investments declined from Rs. 2,118 crore as on March 31, 2019 to Rs. 1,091 crore as on March 31, 2020, a decrease of about 48%. This decrease is due to realization of investments in 2019-20.

Other Financial Assets

Other Financial Assets marginally increased from Rs. 919 crore as on March 31, 2019 to Rs. 932 crore as on March 31, 2020, an increase of about 1%.

Property, Plant and Equipment

Group's net block (including CWIP) was Rs. 3,667 crore as on March 31, 2020 as against Rs. 5,017 crore as on March 31, 2019. There were disposals of assets under operating lease category during 2019-20, resulting in a decline in net block. However, there was no major movement in net block due to depreciation charge.

Other Non-Financial Assets

Other Non-Financial Assets have decreased from Rs. 1,252 crore as on March 31, 2019 to Rs. 564 crore as on March 31, 2020, a decrease of about 55%. This was mainly due to recovery from repossessed assets, assets acquired in satisfaction of debt and utilization of available tax input credit, which decreased from Rs. 1,090 crore as on March 31, 2019 to Rs. 512 crore as on March 31, 2020.

Liabilities

Derivative Financial Instruments

Liability decreased from Rs. 57 crore as on March 31, 2019 to Rs. 42 crore as on March 31, 2020. This represents marked-to-market value of derivative contracts.

Borrowings

Debt Securities decreased from Rs. 3,614 crore as on March 31, 2019 to Rs. 2,627 crore as on March 31, 2020. Major sourcing was done through the public issue of debentures. Secured Debentures was Rs. 2,625 as on March 31, 2020 as against Rs. 3,611 crore in previous year.

Secured loan (Other than debt securities) increased from Rs. 25,217 crore as on March 31, 2019 to Rs. 25,295 crore as on March 31, 2020. Secured loans comprised term loans and working capital loans/ facilities.

Unsecured loans (other than debt securities and subordinated liability) increased from Rs. 1,474 crore as on March 31, 2019 to Rs. 1,549 crore as on March 31, 2020. Sourcing of funds through commercial paper decreased from Rs. 829 crore as on March 31, 2019 to Rs. 686 crore as on March 31, 2020.

Borrowings (other than debt securities and subordinated liability) comprise 89% rupee denominated and 11% foreign currency denominated debt as on March 31, 2020 as against 90% and 10% respectively in previous year.

Subordinated liabilities decreased from Rs. 3,356 crore as on March 31, 2019 to Rs. 2,848 crore as on March 31, 2020.

Trade Payables

Trade payables decreased from Rs. 1,687 crore as on March 31, 2019 to Rs. 1,184 crore as on March 31, 2020. Acceptances liability decreased from Rs. 924 crore in the previous year to Rs. 173 crore as on March 31, 2020. Other than Acceptances liability increased from Rs. 750 crore in the previous year to Rs. 958 crore as on March 31, 2020

Other Financial Liabilities

Other Financial Liabilities decreased from Rs. 488 crore in the previous year to Rs. 302 crore as on March 31, 2020. Deposits & Retentions decreased from Rs. 414 crore to Rs. 239 crore.

Other Non-Financial Liabilities

Other Non-Financial Liabilities decreased by about 35% from Rs. 181 crore as on March 31, 2019 to Rs. 118 crore as on March 31, 2020.

Equity Share Capital

Share capital comprised 50,30,86,333 equity shares with a face value of Rs. 10 totaling Rs. 503 crore. There was no increase in equity capital compared to the previous year. As on March 31, 2020, promoters' holding constituted 60.80% and foreign institutional investors constituted 8.16%.

Other Equity: The Group's other equity declined by about 2% from Rs. 3,608 crore as on March 31, 2019 to Rs. 3,519 crore as on March 31, 2020.

2. Review of Consolidated Statement of Profit and Loss

Highlights, 2019-20

Total income was Rs. 5,974 crore in 2019-20 as against Rs. 6,517 crore in 2018-19.

Assets under management moved from Rs. 47,016 crore in 2018-19 to Rs. 44,835 crore in 2019-20.

Group's Disbursement decreased from Rs. 21,229 crore in 2018-19 to Rs. 11,681 crore in 2019-20.

Profit before tax during 2019-20 was Rs. 142 crore as against Rs. 668 crore in 2018-19.

Profit after tax decreased from Rs. 487 crore in 2018-19 to Rs. 89 crore in 2019-20. Earnings per share moved from Rs. 9.68 in 2018-19 to Rs. 1.76 in 2019-20.

Gross interest spread moved from 3.94% in 2018-19 to 3.19% in 2019-20.

Revenue

Group revenue was Rs. 5,974 crore in 2019-20 as against Rs. 6,517 crore in 2018-19.

Revenue from Operations decreased from Rs. 6,550 crore in 2018-19 to Rs. 6,115 crore in 2019-20. Interest income was Rs. 3,868 crore in 2019-20 as against Rs. 4,214 crore in 2018-19. Rental Income was Rs. 1,207 in 2019-20 as against Rs. 1,280 crore in 2018-19. Net gain on the derecognition of financial instruments increased from Rs. 360 crore in 2018-19 to Rs. 484 crore in 2019-20. Net gain on fair value changes increased from Rs. 93 crore in 2018-19 to Rs. 371 crore in 2019-20. Income from the sale of services was Nil in 2019-20 as against Rs. 305 crore in 2018-19.

Expenses

The Group's expenses decreased by about 1% from Rs. 5,930 crore in 2018-19 to Rs. 5,845 crore in 2019-20.

Impairment on financial instruments decreased by about 13% from Rs. 474 crore 2018-19 to Rs. 412 crore in 2019-20.

Employee cost decreased by about 25% from Rs. 260 crore in 2018-19 to Rs. 196 crore in 2019-20.

Depreciation, amortization and impairment expenses decreased by about 4% from Rs. 815 crore in 2018-19 to Rs. 785 crore in 2019-20.

Administrative and other expenses decreased by about 20% from Rs. 278 crore in 2018-19 to Rs. 221 crore in 2019-20, owing to decrease in legal and professional charges, travelling and conveyance etc.

Finance Costs

Finance costs increased by about 6% from Rs. 3,587 crore in 2018-19 to Rs. 3,789 crore in 2019-20.

Taxation

The Group total tax expense on profit decreased from Rs. 181 crore in 2018-19 to Rs. 53 crore in 2019-20.

10-year CAGR

Total income
15%

Net worth
5%

Assets under management
9%

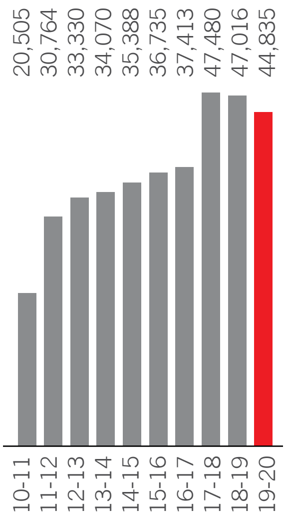
Consolidated

Assets	2019-20		2018-19		
	Amount (Rs. in Crore)	Percentage of Total	Amount (Rs. in Crore)	Percentage of Total	Y-O-Y Change (%)
Financial Assets					
Cash and Cash Equivalents	400	1.05	313	0.78	28%
Bank Balance	1,320	3.47	1,712	4.26	-23%
Derivative Financial Instruments	300	0.79	82	0.20	266%
Receivables	181	0.48	282	0.70	-36%
Loans	29,032	76.42	28,144	70.00	3%
Investments	1,091	2.87	2,118	5.27	-48%
Other Financial Assets	932	2.45	919	2.29	1%
Non-Financial Assets					
Inventories	-	-	-	-	0%
Current Tax Assets (Net)	209	0.55	141	0.35	48%
Deferred Tax Assets (Net)	233	0.61	194	0.48	20%
Investment Property	18	0.05	18	0.05	0%
Property, Plant and Equipment	3,665	9.65	5,012	12.47	-27%
Rights-of-use - Assets	34	0.09	-	-	100%
Capital Work-in-Progress	2	0.01	5	0.01	-60%
Goodwill on Consolidation	8	0.02	8	0.02	0%
Other Intangible Assets	4	0.01	6	0.01	-33%
Other Non-Financial Assets	564	1.48	1,252	3.11	-55%
Total	**37,993**	**100.00**	**40,206**	**100.00**	**-6%**

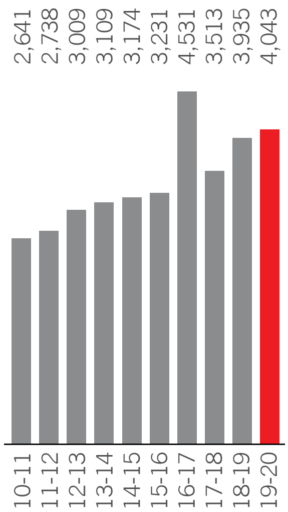
Liabilities	2019-20		2018-19		
	Amount (Rs. in Crore)	Percentage of Total	Amount (Rs. in Crore)	Percentage of Total	Y-O-Y Change (%)
Financial Liabilities					
Derivative Financial Instruments	42	0.11	57	0.14	-26%
Payables	1,134	2.99	1,687	4.20	-33%
Debt Securities	2,627	6.91	3,614	8.99	-27%
Borrowings (Other than Debt Securities)	26,844	70.66	26,691	66.39	1%
Subordinated Liabilities	2,848	7.50	3,356	8.35	-15%
Lease Liabilities	36	0.09	-	-	100%
Other Financial Liabilities	302	0.80	488	1.21	-38%
Non-Financial Liabilities					
Provisions	20	0.05	21	0.05	-5%
Other Non-Financial Liabilities	118	0.31	181	0.45	-35%
Equity					
Equity Share Capital	503	1.32	503	1.25	0%
Other Equity	3,519	9.26	3,608	8.97	-2%
Non-controlling Interests	-	-	-	-	0%
Total	**37,993**	**100.00**	**40,206**	**100.00**	**-6%**

OUR PERFORMANCE OVER THE YEARS

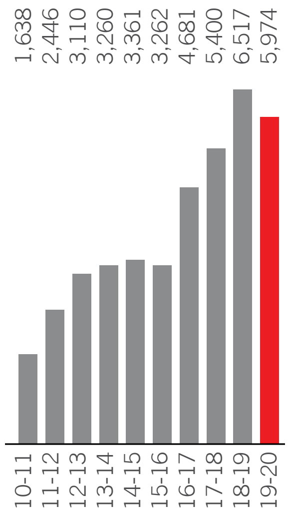
AUM
(Rs. Crore)



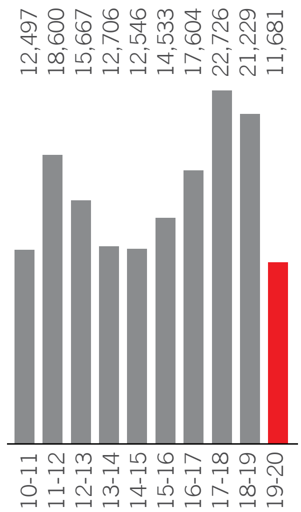
Net Worth$
(Rs. Crore)



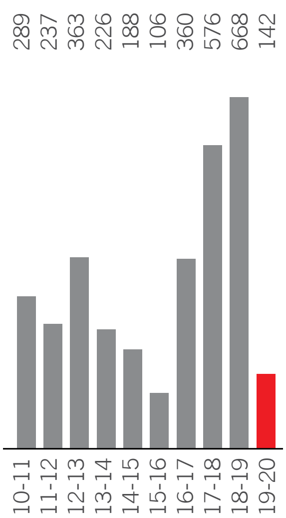
Total Income
(Rs. Crore)



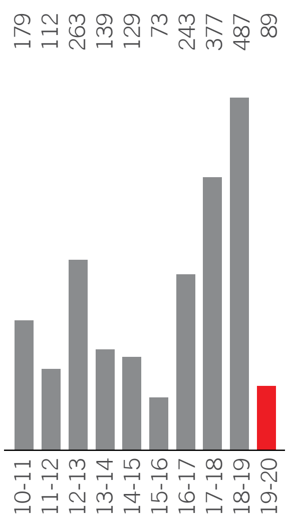
Disbursements
(Rs. Crore)



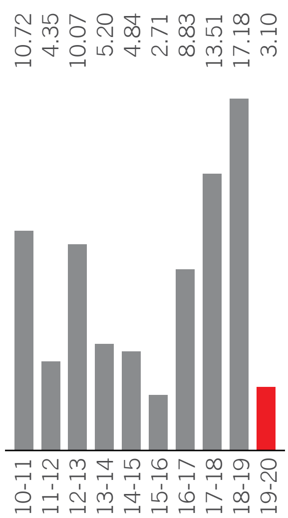
PBT
(Rs. Crore)



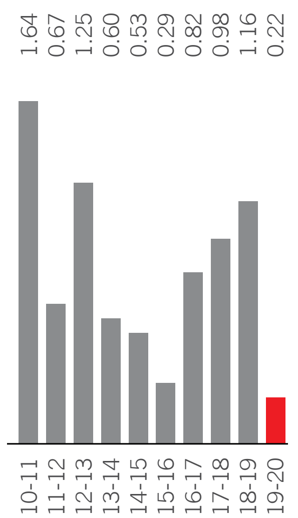
PAT&
(Rs. Crore)



Return On Average Net Worth@&
(%)



Return On Average Asset&
(%)



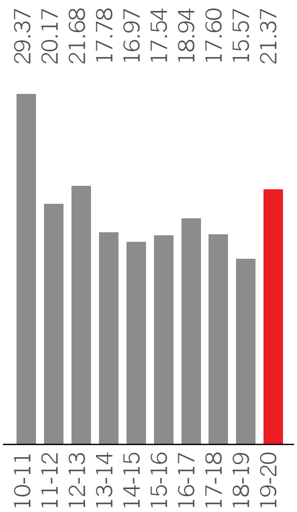
$ Networth is calculated as per Companies Act, 2013, whereas for years prior to 14-15, are based on Companies Act, 1956

& Based on Profit after Minority Interest

@ Based on Standalone Net worth

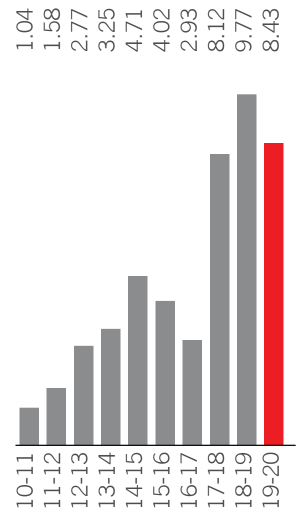
CAR*

(%)



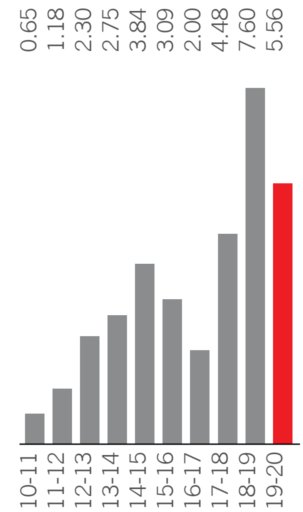
Gross NPA#

(%)



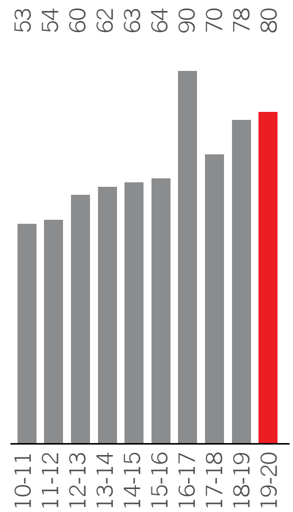
Net NPA#

(%)



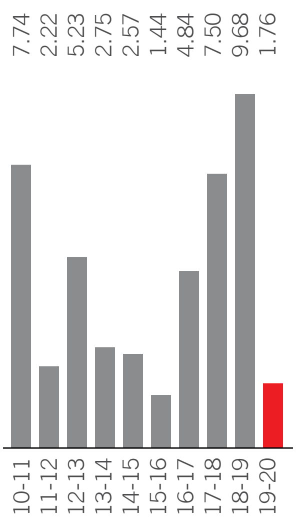
Book Value

(Rs.)



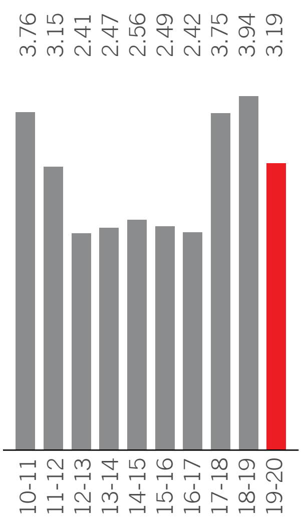
EPS

(Rs.)



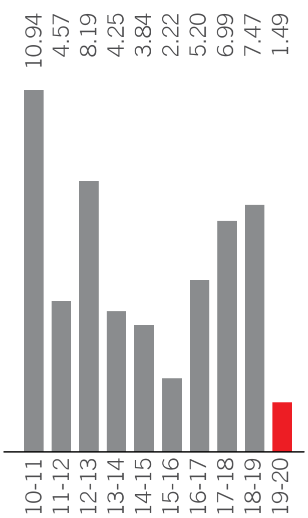
Gross Interest Spread

(%)



NPM&

(%)



& Based on Profit after Minority Interest

* Based on Standalone numbers

Calculated on Total Assets

DIRECTORS' PROFILE

Mr. Hemant Kanoria
Chairman

He has over 40 years of experience in industry, trade and financial services. He is currently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and served on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C) besides being a past Member of the Regional Direct Taxes Advisory Committee, Government of India.

Mr. Sunil Kanoria
Vice Chairman, Non-Executive Director

He is a chartered accountant with more than 30 years of experience in the financial services industry. He has been the president of the Associated Chambers of Commerce & Industry of India, a former governing body member of the Construction Industry Development Council and is presently a council member of The Institute of Chartered Accountants of India. He is also presently the honorary consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.

Mr. Srinivasachari Rajagopal
Non-Executive & Independent Director

Mr. Srinivasachari Rajagopal has over 42 years of experience in the Banking industry. Mr. Rajagopal is the past Chairman & Managing Director of Bank of India and Indian Bank and has immensely contributed to the Banking and Financial Sector. Having been on the Board of various Corporates and Development Funds in India and abroad, Mr. Rajagopal has in-depth knowledge of Commerce, Industry, Finance and Insurance. Mr. Rajagopal is also an Advocate with specialisation in company matters. Mr. Rajagopal holds Master's Degree in Economics, Degrees in Commerce and Law besides professional qualification from the Indian Institute of Banking and Finance. He is also closely associated with Academics. He was a member of the governing bodies of the Madras School of Economics and Court of Banaras Hindu University.

Mr. Shyamalendu Chatterjee
Non-Executive & Independent Director

A seasoned professional, he has over 46 years of experience in Retail, Commercial, Investment Banking and NBFC. Associated with the State Bank of India for 26 years, he has extensive exposure in the area of International Banking at SBI, London and as the Chief Representative in Washington DC having worked closely with IFC, World Bank and IMF. He was the Executive Director with Axis Bank (formerly UTI Bank) wherein he was instrumental in developing the bank's business model and strong business processes enabling it to evolve into a leading player in the industry. He has been associated with Srei in various capacities for developing business, audit, compliance, HR & IT processes as well as risk management. In addition, he has also served as a Member of the Board of Directors of Nabil Bank, Nepal.

Dr. (Mrs.) Punita Kumar Sinha
Non-Executive & Independent Director

Dr. (Mrs.) Punita Kumar Sinha has focused on investment management and financial markets during her 30 year career. She also has significant governance and Board experience across India and North America. She has also been investing in emerging markets since the late 1980s and pioneered some of the first foreign investments into the Indian subcontinent in the early 1990s. Currently, she is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia. She is also a Senior Advisor and serves as an Independent Director for several companies. She is also on the Board of Governors of CFA Institute, USA. Prior to this, she was a Senior Managing Director of Blackstone and the Chief Investment Officer of Blackstone Asia Advisors. She is a Doctorate from the Wharton School of University of Pennsylvania.

Mr. Ram Krishna Agarwal

Non-Executive & Independent Director

Mr. Ram Krishna Agarwal has over 45 years of experience in various fields like Audit, Taxation, Company Law, Consultancy etc. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. Mr. Agarwal is the past President of The Institute of Internal Auditors, India and was a member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. Mr. Agarwal is connected with various Chambers of Commerce and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub - Committee of CII in the year 2013-14.

Mr. Malay Mukherjee

Non-Executive & Independent Director

Mr. Mukherjee has over 41 years of experience in the field of Banking and NBFC including Venture Funding, Factoring and Broking. He was the Chief Executive Officer and Managing Director of IFCI Limited and was responsible for the growth and development of the business of IFCI. He also held the position of Chairman in various group Companies of IFCI Limited. As an Executive Director at the Central Bank of India, he looked after portfolios such as Credit, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client coverage and New Initiatives.

Further, being associated with Indian Bank for 36 years he accrued wide field exposure, having worked in various branches, regions and zones including Assam, Bihar, West Bengal, Karnataka, Maharashtra, Gujarat and New Delhi. He has been the past Chairman of Board of Governors of Management Development Institute (MDI) and Chairman of Institute of Leadership Development, Jaipur. Additionally, he was also a member of the Governing Body of Entrepreneurship Development Institute of India (EDII), Ahmedabad. Presently, he is in the Board of NBFC, other companies in India and also Director of NABIL Bank, Nepal.

Dr. (Mrs.) Tamali Sengupta

Non-Executive & Independent Director

Dr. (Mrs.) Tamali Sengupta has over 34 years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She is the Principal of T. Sen Gupta & Associates, a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatization. Dr. Sengupta also has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions. She has represented Indian companies in joint-ventures overseas and in relation to joint-ventures in India with multinational corporations.

Dr. (Mrs.) Sengupta has extensive experience in the structure of projects implemented under Project Finance and on foreign participation in the privatization of infrastructure. Sectors worked on include roadways, railways, ports, power and township development, both in India and overseas. She has wide experience in negotiations and drafting documents for privatization projects and has dealt with various forms of contractual agreements for project finance, including inter alia, Concession agreements (BOT, BOOT, BOLT) as well as EPC & O&M Contracts.

DIRECTORS' REPORT

Dear members

Your Directors are pleased to present the Thirty-Fifth Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2020. The summarised consolidated and standalone financial performance of your Company is as follows:

FINANCIAL SUMMARY & STATE OF COMPANY AFFAIRS

(Rupees in Lacs)

	Consolidated		Standalone	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
Total Income	5,97,444	6,51,687	11,446	9,202
Total Expenses (including impairment on financial instruments, depreciation etc.)	5,84,495	5,92,984	13,222	13,151
Profit Before Exceptional Items & Tax	**12,949**	**58,703**	**(1,776)**	**(3,949)**
Profit Before Tax from discontinued operations	-	-	3,769	16,210
Adjustment on disposal /cessation of Subsidiaries and Associate	1,222	8,085	-	-
Profit Before Tax	**14,171**	**66,788**	**1,993**	**12,261**
Current Tax	4,347	15,158	-	-
Deferred Tax	949	2,924	637	2,794
Profit After Tax but before Loss of Associate	**8,875**	**48,706**	**1,356**	**9,467**
Share of Profit/ (Loss) of Associate	-	(28)	-	-
Profit After Tax before adjusting Minority Interest	**8,875**	**48,678**	**1,356**	**9,467**
Non-Controlling Interest	(9)	(7)	-	-
Profit After Tax after adjusting Minority Interest	**8,884**	**48,685**	**1,356**	**9,467**
Surplus brought forward from previous year (Retained Earnings)	(86,804)	(1,19,015)	12,511	11,577
Other Comprehensive Income (net of tax)	(13,671)	(8,994)	(15,797)	(12,672)
Profit Available for Appropriation (Retained Earnings)	**(77,907)**	**(70,348)**	**13,900**	**21,021**
Paid up Equity Share Capital	50,309	50,324	50,309	50,324
Amount transferred to Reserves	(38,224)	10,391	(22,388)	2,445
Other Equity excluding Revaluation Reserves	3,51,929	3,60,793	2,33,958	2,48,384
Earning Per Share (Rs.)	1.76	9.68	0.27	1.88

OPERATIONAL REVIEW

Your Company along with its wholly owned subsidiary, Srei Equipment Finance Limited is one of the premier private sector financing institutions in India. Some of the key highlights of your Company's performance during the year under review are:

- Total Income is Rs. 11,446 Lacs as against Rs. 9,202 Lacs in the last year.
- Profit before taxation is Rs. 1,993 Lacs as against Rs. 12,261 Lacs in the last year.
- Net profit after taxation is Rs. 1,356 Lacs as against Rs. 9,467 Lacs in the last year.

- The total assets under management of the Srei Group is Rs. 44,83,546 Lacs as against Rs. 47,01,640 Lacs in the last year.

The Capital to Risk Assets Ratio (CRAR) of your Company stood at 21.37 per cent (entire being Tier I) as on March 31, 2020, well above the regulatory minimum level of 15 per cent prescribed by the Reserve Bank of India for systemically important non-deposit taking NBFCs (NBFCs-ND-SI).

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

Particulars	2019-20 (%)	2018-19 (%)
Return on Networth	0.47	3.33
Yield on Average Funds	11.38	13.57
Cost of Funds	9.62	10.44
Gross Interest Spread	1.76	3.13
Return on Average Assets on Books	0.12	0.51

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

Return on Networth reduced since Profit After Tax (PAT) of your Company reduced to Rs. 13.56 Crores in Financial Year 2019-20 compared to Rs. 94.67 Crores in Financial Year 2018-19, while Networth stands at Rs. 2,872.90 Crores in Financial Year 2019-20 compared to Rs. 2,844.66 Crores in Financial Year 2018-19.

Gross Interest Spread is computed as the difference between yield on average funds and cost of funds. Therefore, reduction in Gross Interest Spread is the resultant effect of reduction in yield on average funds and cost of funds.

Return on Average Assets on Books reduced since Profit After Tax (PAT) and Asset on books of your Company reduced significantly subsequent to completion of slump exchange transaction during the year under review.

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 Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses standalone and consolidated unaudited financial results on a quarterly basis, which are subjected to limited review, and standalone and consolidated audited financial results on an annual basis.

Your Company has 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.

TRANSFER TO RESERVES

Your Company proposes to transfer an amount of Rs. 272 Lacs to Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934) and reversal of Rs. 22,660 Lacs from Bond / Debenture Redemption Reserve.

CLASSIFICATION AS INFRASTRUCTURE FINANCE COMPANY (IFC) AND PUBLIC FINANCIAL INSTITUTION (PFI)

Your Company continues to be classified as an 'Infrastructure Finance Company' within the overall classification of 'Non-Banking Finance Company' by the Reserve Bank of India (RBI). Your Company is also notified as a Public Financial Institution (PFI) by the Ministry of Corporate Affairs (MCA), Government of India.

DIVIDEND

In accordance with Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy is adopted by your Company, covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Dividend Distribution Policy is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf and is also set out as an annexure to the Directors' Report and forms part of this Annual Report.

Your Company follows a consistent dividend policy that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. However, with a view to conserve capital, due to ongoing Covid-19 pandemic, the Board of Directors of your Company has not recommended any dividend on Equity Shares of the Company for the Financial Year ended 31st March, 2020.

PUBLIC DEPOSITS

Your Company decided not to accept any further public deposits or renew such maturing deposits in any manner w.e.f. April 20, 2010 and the entire amount of outstanding public deposits as on April

19, 2010 together with interest promised to the depositors, was kept in an Escrow Account with a scheduled commercial bank for the purpose of making payment to the depositors as and when they raise the claim. Despite sustained efforts to identify and repay unclaimed deposits, the amount payable to the depositors as on March 31, 2020 is Rs. 10,000. The said unpaid amount was thereafter transferred to the Investor Education and Protection Fund (IEPF).

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

PUBLIC ISSUE OF SECURED AND / OR UNSECURED SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES (NCDs)

During the year under review, your Company issued Secured Redeemable Non-Convertible Debentures (the "Debentures") of face value of Rs. 1,000 each, 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 (Rs. in Crores)
09.04.2019*	100	Upto 500	400 days/3 years/5 years	15.05.2019	105.76

*Issue w.r.t. Tranche 1 Prospectus dated March 29, 2019 of Secured NCDs, read together with Shelf Prospectus dated March 29, 2019.

Debenture Trustee Agreement(s) for the aforesaid issue was duly executed with Catalyst Trusteeship Limited. The said Debentures are listed on the Debt Segment of BSE Limited (BSE). According to the object of the issue, proceeds have been utilised for the purpose of lending/ repayment of existing loans and for general corporate purposes. Your Company has duly paid the interest due on the aforesaid Debentures on time.

Further, in terms of the Business Transfer Agreement (BTA) dated August 16, 2019, your Company has transferred all rights and obligations under the Debenture Trust Deed arising out of the listed Non-Convertible Debentures (NCDs) to Srei Equipment Finance Limited (SEFL), wholly-owned subsidiary of your Company, pursuant to the Novation Deeds executed with the Debenture Trustees.

PRIVATE PLACEMENT OF UNSECURED PERPETUAL NON-CONVERTIBLE DEBENTURES (NCDs)

During the year, your Company issued unsecured perpetual Non-Convertible Debentures (NCDs) amounting to Rs. 10 Crores on private placement basis. The issue proceeds raised through Private Placement of NCDs have been utilized for the purpose of refinancing existing debt or for disbursement and for general business purpose.

PROMOTERS' GROUP SHAREHOLDING

As on March 31, 2020, the total shareholding of the Promoters' Group of your Company is 60.7984 per cent and none of the Promoter/Promoters' Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialised form.

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

The Board of Directors of your Company, at its meeting held on January 21, 2019 approved a composite Scheme of arrangement and amalgamation amongst your Company, Srei Equipment Finance Limited ("SEFL") and Srei Finance Limited ("Srei Asset") and respective shareholders and creditors ("Scheme") in accordance with Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder. Subsequently, with the developing market conditions in the NBFC sector, the management and the Board of Directors have had several discussions and deliberations with market experts, consultants and others and the Board considered that the aforesaid Scheme should not be followed through and was therefore withdrawn.

Thereafter, the Board of Directors of your Company and Srei Equipment Finance Limited, at their respective meetings held on July 04, 2019, had for the purposes of consolidation of lending business approved the transfer, assignment and delivery of the Lending Business, Interest Earning Business & Lease Business of your Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures), ("Transferred Undertaking") as a going concern by way of slump exchange to Srei Equipment Finance Limited, a wholly owned subsidiary of your Company, for such lump sum consideration as mutually agreed and which shall be discharged/ paid by Srei Equipment Finance Limited

(SEFL) by issue and allotment of fully paid up equity shares of SEFL.

The aforesaid transaction was approved by the Members of your Company through Postal Ballot, the results of which were declared on August 16, 2019. Necessary intimation w.r.t. the aforesaid transaction was made to the Stock Exchanges and to the Reserve Bank of India (RBI).

Thereafter, the Business Transfer Agreement (BTA) was signed and executed by your Company and SEFL on August 16, 2019. Pursuant to the said BTA, the entire fund-based business division of your Company alongwith all its assets and liabilities has been transferred to SEFL with effect from October 01, 2019.

Pursuant to the BTA, SEFL vide its Board Resolution dated December 31, 2019 issued and allotted to your Company, 1,93,56,415 (One Crore Ninety Three Lakhs Fifty Six Thousand Four Hundred and Fifteen only), Equity Shares of Face Value Rs. 10 (Rupees Ten) each ("Final Exchange Shares") carrying a premium of Rs. 481 (Rupees Four Hundred Eighty One only) each as due and adequate consideration for the acquisition and/or purchase of the Transferred Undertaking as a going concern by way of slump exchange.

Further, Novation Deeds were executed with the Debenture Trustees, Catalyst Trusteeship Limited and Axis Trustee Services Limited on December 18, 2019 and January 14, 2020, respectively, for Novation/Transfer of all rights and obligations arising out of the listed Non-Convertible Debentures ("NCDs") from your Company to SEFL. Approval from the Stock Exchanges i.e. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for Novation/Transfer of NCDs from your Company to SEFL was duly received on February 26, 2020. Accordingly, the Novation/Transfer of NCDs from your Company to SEFL has been completed.

Further, both your Company and SEFL have obtained approvals from their respective lead bankers to the consortium, Axis Bank Limited and UCO Bank Limited, vide No-Objection Certificates dated November 07, 2019 & April 04, 2020 and few other Lenders. The approval from remaining lenders is in process.

Pending the approvals as stated above, your Company has accounted for the slump exchange transaction on October 01, 2019. Your Company has obtained expert legal and accounting opinions in relation to the accounting of the Slump Exchange transaction which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

a. Global Outlook

According to the International Monetary Fund (IMF), the global economy is set to contract by 4.9 per cent in 2020 after a growth of 2.9 per cent in 2019. This sharp fall is due to the effects of the Covid-19 induced 'Great Lockdown'. Country after country has implemented the lockdown as a measure to slow down the spread of the pandemic and limit the loss of human life. The economic damage thus inflicted is estimated to be far greater than what happened from the great financial crisis of 2008-09. IMF however predicts a 5.4 per cent growth for global economy in 2021.

As per IMF's World Economic Outlook (WEO), the advanced economies, after registering a positive growth of 1.7 per cent in 2019, will shrink by 8 per cent in 2020. The United States is expected to contract by 8 per cent, Euro Area by 10.2 per cent, the United Kingdom by 10.2 per cent and Japan by 5.8 per cent. Even the major emerging market and developing economies (EMDEs) are expected to shrink by 3 per cent in 2020 after growing at 3.7 per cent in 2019. Economies like Russia, Brazil and South Africa will contract in 2020. China, on the other hand, is expected to register a markedly slow growth of 1 per cent in 2020, after having grown at 6.1 per cent in 2019. However, given the fact that the pandemic is showing no signs of going away, there is too much uncertainty, and actual economic performance can be worse than the projections. In fact, because of the prevailing uncertainty, for the first time in 30 years, the WEO has come out with a 2-year projection instead of its usual 5-year projection.

The geo-political equations are changing. Before the outbreak of the pandemic, the US and China were locked in a geopolitical, economic and technological rivalry that caused a synchronized cyclical slowdown in businesses. But now, there has been a further escalation in the tension between the US and China with the former blaming the latter for the origin and spread of the pandemic. A growing anti-China sentiment in several nations is prompting their home-grown multinational corporations to relocate their manufacturing units away from China. This is set to reshape the global industrial supply-chains.

The Eurozone may also be heading into a recession. The economic and political situation has worsened with the pandemic in the absence of any coherent, coordinated response to the crisis. The 'great lockdown' has led to a crash in oil prices which is seriously threatening most oil-producing countries in the Middle East and North Africa (MENA) who need higher oil prices to balance their budgets.

To boost their respective economies, most central banks have adopted a more accommodative stance. The major central banks have cut interest rates to historic lows, while unprecedented liquidity infusions have been used to reduce funding constraints and frictions in the financial market. In spite of that, there is a growing trend of an "each country for itself" approach which is leading to a more fragmented world. The decision by the US to stop funding the World Health Organization (WHO) will adversely impact the emerging and developing nations in their fight against Covid-19.

A new world order with revised economic priorities, health protocols, supply chains, national security priorities and many more "new normal"-s will emerge. The fundamentals of certain industries will change forever from this pandemic and they would need to re-engineer their business models in order to survive. Globalization, gradually, seems to be losing its importance. Instead, the growth in trade and commerce, travel and tourism, movement of individuals (professionals, students, patients and others) among countries will now be influenced more by bilateral deals and limited regional co-operations. We, therefore, will have to prepare ourselves for a fully rebooted globe. With the adaptability, resilience and innovation of mankind, a new, upgraded and better world will be created.

b. Indian Scenario

During the year under review, the National Democratic Alliance (NDA) government was re-elected at the Centre with an overwhelming majority. The year also witnessed India surpass the UK in terms of GDP to become world's fifth largest economy. India climbed up 14 positions (from 77th in 2018 to 63rd in 2019 among 190 countries) in the World Bank's Ease of Doing Business Index. Inflow of foreign direct investment (FDI) remained steady. After recording a total FDI (equity + re-invested earnings + other capital) of USD 62 billion in FY19, India was able to attract FDI worth USD 73.4 billion during FY20, an increase of 18 per cent. India's total exports (goods and services combined) in FY20 stood at USD 544.7 billion, while total imports stood at USD 645.6 billion. India's foreign exchange reserves presently stand at over USD 500 billion.

However, the economy was steadily losing growth momentum. After growing at 6.1 per cent at FY19, the economy clocked an 11-year low growth rate of 4.2 per cent in FY20. All through the year, the slowdown was evident from several high frequency economic indicators. The composite index of 8 core industries (namely coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity) grew at just 0.6 per cent during FY20 as against 4.4 per cent in FY19. The index for industrial production (IIP) shrunk 0.7 per cent against a positive growth of 3.8 per cent in FY19. Capital goods output contracted by 13.7 per cent, infrastructure and construction goods by 4 per cent and consumer durables by 8.4 per cent in FY20. Sales of both commercial and passenger vehicles declined sharply during the year. Bank credit growth decelerated to an over five-decade low of 6.14 per cent in FY20. All these indicate a major slowdown in both investment and consumption demand.

The impact of the nation-wide lockdown will be felt in the coming quarters too. As per IMF's WEO, the Indian economy is expected to contract by 4.5 per cent in 2020 and then grow at 6 per cent in 2021. Several other institutions and agencies, including the Reserve Bank of India (RBI), have projected a contraction in Indian economy in FY21.

There was a sharp rise in unemployment because of the lockdown. According to the Centre for Monitoring the Indian Economy (CMIE), there were as many as 122 million unemployed people in India in May, taking the unemployment rate to 27.1 per cent. With the lockdown getting lifted in phases, the employment figure has started improving. The government has stepped in with a stimulus package and is working towards addressing the urgent needs of the most vulnerable segments of the society.

With the likelihood of a second wave of the pandemic in the coming months, the government has adopted a restrained approach so far. However, the fiscal deficit target for the year will surely be breached by a wide margin. The RBI too will maintain an accommodative stance till the time things return to normalcy.

While the year ahead may actually be spent in recovering from the disruption caused by Covid-19, a window of opportunity may open up for India as global corporations consider relocating their units from China. If India can attract some of these corporations to set up their manufacturing units here, this can set in motion a new cycle of investment and job creation. The management of your Company is convinced that with appropriate governmental measures, India can consolidate its position at the global stage and be a growth engine for the world economy.

NBFCs IN INDIA

In India, the Non Banking Financial Companies (NBFCs) play an active role in meeting the funding needs of those segments of the society who mostly remain outside the coverage of formal modes of institutional funding. NBFCs are essentially fuelling entrepreneurship by catering to the funding needs of the MSMEs, many are involved in the infrastructure sector in services like construction and transportation. Thus, NBFCs are performing a dual role of promoting financial inclusion and nation building.

As on September, 2019, the number of NBFCs registered with the RBI stood at 9,642. Of those, 9,461 are non-deposit taking, which is more than 98 per cent of the total number.

The year under review has been a challenging one for the NBFC sector. The flow of funds to NBFCs from the institutional sources has significantly reduced. RBI has tried to address the liquidity concerns of NBFCs, but strategic direction needs to be articulated so as to ensure ongoing resource mobilization for the sector.

During the year under review, the following amendments made by the RBI affected the regulatory framework of the NBFCs:

- Extension of the Ombudsman Scheme for NBFCs to all non-deposit taking NBFCs with minimum asset size of Rs. 100 crore in order to improve customer confidence.

- Registered NBFCs to report all cyber security incidents to RBI.
- NBFCs with minimum asset size of Rs. 5,000 crore to appoint a Chief Risk Officer (CRO) to augment risk management practices.
- NBFCs with minimum asset size of Rs. 100 crore to adopt a 'Liquidity Risk Management Framework' introduced by RBI in order to ensure maintenance of sufficient liquidity (including a cushion of unencumbered, high-quality liquid assets) to withstand a range of stress events, establish a diversified funding strategy and monitor the risk of intra-group transfers.
- NBFCs to be covered under RBI's new 'Prudential Framework for Resolution of Stressed Assets' in a bid to align the loan loss provisioning norms for the large stressed accounts of NBFCs with commercial banks.
- All Indian companies, including NBFCs, which have received FDI and/or made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year, to file the annual return on Foreign Liabilities and Assets (FLA) with the objective to enhance the security-level in data submission and further improve the data quality.
- External Commercial Borrowing (ECB) policy was liberalized which allowed NBFCs to use those funds for repayment of rupee loans availed domestically for capital expenditure and otherwise and for on-lending working capital and general corporate purposes.
- On-lending by registered NBFCs (other than Micro Finance Institutions i.e. MFIs) towards agriculture (up to Rs. 10 lakh per borrower), micro and small enterprises (up to Rs. 20 lakh per borrower) and housing sector (up to Rs. 20 lakh per borrower) will be treated as priority sector loans, provided those are fresh loans sanctioned by NBFCs out of bank borrowings. Bank credit to NBFCs for on-lending will be allowed up to a limit of 5 per cent of individual bank's total priority sector lending on an ongoing basis.
- A Partial Credit Guarantee Scheme was offered by Government of India to public sector banks for purchasing high-rated pooled assets from NBFCs and Housing Finance Companies (HFCs).
- A task force set up by RBI for the development of a secondary market in corporate loans, under the chairmanship of Canara Bank chairman TN Manoharan, had recommended that the first step towards developing such a market should be to set up a self-regulatory body. A secondary market in corporate loans is expected to provide benefits to banks, NBFCs, borrowers and other market participants by enabling efficient price discovery for loan assets and helping lenders to optimize capital and manage both liquidity and risk.
- RBI increased the loan exposure limit of banks to a single NBFC (excluding gold loan companies) from 15 per cent to 20 per cent of the banks' capital base.

RBI allowed banks and NBFCs to extend their borrowers a 6-month moratorium on term loans in the backdrop of the start of a nation-wide lockdown. RBI has allowed exclusion of payment moratorium period from the calculation of days past due for NPA recognition, provided financial institutions maintain a higher provision of 10 per cent on these accounts in Q4FY20 and Q1FY21.

As part of Prime Minister's Aatmanirbhar Bharat Abhiyaan, a special liquidity scheme with an allocation of Rs. 30,000 crore was announced which enables investments in both primary and secondary market transactions in investment grade debt paper of NBFCs, HFCs and MFIs. Such securities will be fully guaranteed by Government of India. In addition, Rs. 45,000 crore was allocated for a Partial Credit Guarantee Scheme 2.0 to cover borrowings such as primary issuance of bonds and commercial papers of NBFCs, HFCs and MFIs, which involve sub-AA ratings and even unrated papers. Government is to guarantee the first 20 per cent of the losses.

The year ahead is likely to be even more challenging than the previous one and is expected to usher in a number of regulatory changes. NBFCs, that are knowledge driven, capable of innovating and can leverage technology successfully, will emerge as winners from the current turmoil.

BUSINESS OUTLOOK AND FUTURE PLANS

As the nation-wide lockdown has stretched for more than 2 (two) months, a national debate on "life vs. livelihood" has taken centre-stage. The cash flows of most businesses have been severely disrupted. With the banks being reluctant to provide fresh loans and / or restructure the existing loans, most firms and entrepreneurs are finding it extremely difficult to continue operations. Thus, the year ahead will be a struggle for survival and stabilization for most enterprises. The road to recovery has slowed down and is becoming even more challenging as there is a growing divergence in the response strategies of the Centre and some of the state governments.

The government and the central bank have announced a slew of measures to fuel demand, but most of those would be useful in the medium to long term. However, the immediate liquidity issues and the short term challenges of enterprises need to be addressed urgently. An immediate spurt in demand is possible if all the central and state government agencies can expeditiously clear all outstanding payments to contractors and businesses. Similarly, release of all outstanding tax refunds and money stuck in arbitration awards will also help in buoying demand.

Under the Aatmanirbhar Bharat Abhiyaan announced by the Prime Minister, a number of medium to long term measures have been announced to drive demand growth in the areas of agriculture, infrastructure and defence, with an overarching focus on facilitating the micro, small and medium enterprise (MSME) in each sector. The reforms to be undertaken in sectors like health, mining, power, aviation and housing are aimed at stimulating domestic demand and job creation. The decision to revamp the viability gap funding for social infrastructure like health and education is a timely initiative to increase the penetration of technology in these sectors.

The Covid-19 crisis has highlighted the importance of three key sectors – healthcare, agriculture and technology. The government is committed towards strengthening all these sectors.

The gaps in the healthcare sector need to be filled by revamping the health infrastructure, especially in the public health services. This is bound to drive up the demand for medical equipment – both hi-tech healthcare devices and manual appliances.

With agriculture emerging as a lifeline for the entire country, the government has outlined an ambitious post-pandemic agenda for agricultural reforms to cut down on archaic regulations, raise farm-gate prices, unify domestic markets, modernize the logistics and supply chain and integrate the farm economy into global value chains. This drive to improve farm productivity and logistics is expected to increase the demand for agricultural equipment.

Technology has proved to be a game-changer in this pandemic. Companies which had proactively invested in technology, managed to handle the crisis better by allowing employees to 'work from home'. Going forward, companies' investment in technology is set to grow exponentially.

The management of your Company is monitoring these developments to explore financing opportunities and to establish a stronger presence in these sectors.

Whether to enhance India's appeal as an investment destination or to fuel domestic demand by creating new jobs, one sure-shot way to achieve the same is to build infrastructure. Standing firm on its commitment to build a world class infrastructure, the government had set up a national task force with the mandate to carry out an assessment of India's existing infrastructure and to identify its future needs and requisite policy reforms. The task force has come out with a national infrastructure pipeline (NIP) of projects involving investments of Rs. 111 trillion needed over 5 (five) years up to 2025. Out of the total NIP investments, projects worth Rs. 44 trillion (40 per cent) are under implementation, projects worth Rs. 33 trillion (30 per cent) are at conceptual stage and projects worth Rs. 22 trillion (20 per cent) are under development, while information regarding project stage is unavailable for projects worth Rs. 11 trillion (10 per cent). Sectors such as energy (24 per cent), roads (18 per cent), urban (17 per cent) and railways (12 per cent) amount to around 71 per cent of the projected infrastructure investments in India. 39 per cent of the NIP will be implemented by the central government, 40 per cent by the state governments and 21 per cent by the private sector.

During the year under review, in an announcement in Union Budget 2020-21, Sovereign Wealth Funds were allowed 100 per cent tax exemption for investments in Indian infrastructure projects. The other important announcement was the increase in the FPI limit for corporate bonds from 9 per cent to 15 per cent. These two announcements will be instrumental in mobilizing long term funds, both equity and debt, for infrastructure projects, especially when the global financial markets are flushed with abundant funds.

These developments augur well for the infrastructure equipment industry ensuring a steady flow of demand as well as demand for their financing. The management of your Company is closely tracking these developments in order to source new business opportunities.

BUSINESS REVIEW

During the earlier years, the business activities of your Company were categorised into Fund based and Fee based activities. During the year under review, your Company decided to consolidate the entire fund based activities into one entity and hence through a scheme of Slump Exchange, the fund based business was transferred to your Company's wholly owned subsidiary, Srei Equipment Finance Limited.

Going forward, the business activities of your Company will be Fee based activities primarily focussed on Infrastructure Project Advisory and Financial Solutions Advisory.

FEE BASED ACTIVITIES

I. INFRASTRUCTURE PROJECT ADVISORY

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

a. Smart City Mission Programme

Your Company has been associated with Smart City Mission Programme since its inception in 2015 and associated in developing Smart City proposals. As of now, your Company is actively providing support as Project Development and Management Advisors for overall project management of Smart City projects, including designing, developing, managing and implementing smart city projects identified by the respective cities on two outputs, viz. Area based development and Pan-city solution for the following cities, namely, Muzaffarpur, Bihar and Bareilly, Uttar Pradesh.

b. Pradhan Mantri Awas Yojna – Urban (PMAY-U)

Your Company has been a partner to this prestigious programme and has since set up a State Level Technical Cell (SLTC) in West Bengal and deployed Technical Experts for providing strategic, operational, implementation and monitoring support as an extended arm of the State Level Nodal Agency (SLNA) for efficient transfer of knowledge and resources under the scheme/ programme.

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

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

- Independent Review and Monitoring Agency (IRMA) for Rajasthan Cluster to carry out periodic review and monitoring of the projects
- Formulation of GIS-based Master Plan for 20 cities in Tripura with an objective to prepare Development Plan documents for the cities/ towns under the Tripura Town & Country Planning Act, 1975 along with Master Plans for Water Supply, Storm Water Drainage and Solid Waste Management
- Formulation of GIS based Master Plan / Master Plan for 2 clusters (26 cities/ towns) in West Bengal.

d. Food Processing

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

- Mega Food Park Scheme to facilitate establishment of Mega Food Parks
- The Scheme for creation of infrastructure for Agro Processing Clusters under the Central Sector Scheme - Kisan Sampada Yojana
- The Scheme of Creation/ Expansion of Food Processing/ Preservative Capacities (CEFPPC) under the Central Sector Scheme – Scheme for Agro-Marine Produce Processing and Development of Agro Clusters (SAMPADA).

e. Other Infrastructure Engagements

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

- Project Management Consultant (PMC) for implementation of five specific Sewerage Schemes in Goa
- Independent Engineer & Auditor for Food Corporation of India to oversee/ supervise setting up of Silos on Design, Build, Finance, Own & Operate (DBFOO) basis for storage of food grains at Sangrur in Punjab and Kannauj in Uttar Pradesh
- Transaction Advisor for (i) Madhya Pradesh Intercity Transport Authority to develop and upgrade bus terminals and their appurtenant infrastructure at six locations viz. Bhopal, Gwalior, Indore, Sagar, Rewa & Jabalpur in Madhya Pradesh to international standard on PPP basis and (ii) Madhya Pradesh Warehousing & Logistic Corporation for development of 'Trucking Hub' at Saikheda (Sagar) and 'Composite Logistics Hub' at Ujjain in Madhya Pradesh through PPP mode.

f. International Engagements

During the year under review, your Company has also worked on few international advisory assignments focussed in African region:

- Financial vetting Consultant for Port & SEZ projects in Gabon, West Central Africa for Gabon SEZ which is a JV of Government of Gabon, Africa Finance Corporation & Olam International
- Your Company was appointed to prepare a Bankability Report/ Techno Economic Feasibility Report (TEFR) for bulk dry cargo port project at San Pedro in Ivory Coast, West Africa by BGFI Capital & Afri EXIM
- Working as Transaction Advisor (TA) for setting up of Organic Medicine based farming & processing in India by MedLIFE GmbH iG, an Austrian group.

It is being anticipated that the next wave of opportunity in Government Advisory shall be more technology and domain specific with even more strategic support like operational management of smart and specific infrastructures that are now being created.

Leveraging its core competency coupled with strategic planning for sectors like Urban Infrastructure, Tourism, Transportation, Industrial Park, GIS-based Master Plan, etc., your Company is working on initiatives for sustainable growth.

II. FINANCIAL SOLUTIONS ADVIOSRY

Since focus is now primarily on Fee based activities, your Company has formed a new team internally designated as Financial Solutions Group to leverage your Company's financing and operating experience of around 30 (thirty) years to provide customised financing solutions. The unique feature is an integrated offering to your Company's customer base encompassing both financial advisory and capital market services. Additionally, your Company has developed a deep understanding of the Insolvency and Bankruptcy Code (IBC) process through our experienced in-house team and relationships with various stakeholders involved in the Corporate Insolvency Resolution Process (CIRP).

During the year under review, the Financial Solutions Group undertook various assignments pertaining to both IBC and normal transaction advisory mandates. These mandates were both from your Company's clients and also external mandates which were sourced by Financial Solutions Group.

Looking Forward

The changing market landscape requires a different approach. Your Company will position itself as an integrated solutions provider. Considering its financing and operating experience, your Company endeavours to differentiate itself by providing higher value added services i.e. advisory services.

Your Company is looking to diversify into other upcoming geographies with South East Asia and the African region and is actively pursuing multi-lateral funded projects – both in Urban, Industrial as well as Social Infrastructure.

Your Company also looks forward to develop a strategic vertical within the Advisory Division to cater to the upcoming Public Financial Institution (PFI) Guarantee domain which are specifically non-fund based activities.

The Financial Solutions Advisory is working closely with equipment finance clients to provide array of services ranging from transaction advisory, investment support both debt and equity and capital market services.

INFRASTRUCTURE EQUIPMENT FINANCE - SREI EQUIPMENT FINANCE LIMITED

Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company, is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit taking NBFC and is one of the leading financier in the Construction, Mining and allied Equipment (CME) sector in India. In addition to CME, SEFL 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 being a key driver for the Indian economy enjoys continued focus from government. It is estimated that India should invest $4.5 trillion in Infrastructure by 2030 to support faster growth. To achieve the GDP of $5 trillion by 2024-25, India needs to spend about $1.4 trillion (Rs. 100 lakh crore) over these years on infrastructure. The ambitious National Infrastructure Pipeline (NIP) of Rs 1.03 lakh crore to be spent over 6 (six) years is a part of that attempt to invest $4.5 trillion. The NIP with focus on the transport sector and railways, will not only create jobs but will also boost productivity and efficiency of Indian businesses. The project creation is being backed by efforts to make infrastructure financing available. The Rs. 22,000 crores equity support to IIFCL and NIIF to create a funding pipeline of Rs. 1,03,000 lakh crores and granting 100 per cent exemption to interest, dividend and capital gains income of the Sovereign Wealth Funds in respect of investment made in infrastructure are very important initiatives for funding infrastructure creation.

The Union Budget for 2020-21 essentially reinforces the government's impetus to the NIP. With mention of 6,500 infra projects under consideration, it is clear that successful implementation of NIP revolves around stitching together a credible financing plan. The government has also relied on doubling of divestment target including successful monetization of assets such as 6,000 km of roadways for meeting the resource requirements. Further, it provided about Rs. 1.70 lakh crores for transport Infrastructure in 2020-21.

In the Union Budget 2020-21, sectors such as housing and urban affairs, mines, roads and highways, and railways have witnessed increased year-on-year (y-o-y) allocations (excluding internal and extra budgetary resources (IEBR)) by 18 per cent, 11 per cent, 11 per cent, and 3 per cent, respectively.

While infrastructure has always remained the focus lens of the government, the Covid-19 pandemic has temporarily shifted the spotlight to the healthcare expenditure. In the long run, the government is committed to build a world class infrastructure in the Country. Keeping the future in mind, the Indian infrastructure equipment sector is undergoing sweeping changes not just in terms of higher demand, but also due to the digitalization and intelligentization of manufacturing for rolling out highly advanced equipment. In view of the projected growth and government's 'Make in India' initiative, most Original Equipment Manufacturer (OEMs) are upgrading their manufacturing facilities in an intelligent and innovative way by using automation, robotic, and advanced technologies; producing high-tech machines that meet global quality standards.

Post the IL&FS crisis, the NBFC sector was moving towards a silent recovery when the Covid-19 pandemic struck in the last quarter of FY 2020 and stalled its recovery. While the infrastructure sector continues to enjoy the government's focus in the long term, the current fiscal is all about business continuity and stability for all businesses across all sectors including the construction equipment sector and the NBFC sector. Due to the aforementioned economic scenario, the construction, mining, and allied equipment (CME) industry is estimated to have decelerated by approximately 18 per cent year-on-year in Fiscal 2020 in terms of unit sales.

As the liquidity was constrained in general across the NBFCs, there was a marked slowdown due to which there was a decline in disbursements. The disbursement for FY 2020 amounted to Rs. 9,555 crores compared to Rs. 13,681 crores in FY 2019. In FY 2020, while SEFL's year-on-year total income increased by 16 per cent to Rs. 5,079 crores, the net profit declined by 82 per cent to Rs. 56 crores. This was primarily due to a 41 per cent y-o-y increase in finance cost and a

37 per cent y-o-y increase in cost of risk. The total Asset under Management (AUM) for FY 2020 was Rs. 42,512 crores. In this challenging environment, SEFL 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.

Since the forthcoming year is extremely uncertain due to the Covid-19 pandemic scenario, SEFL will focus on sustenance and stabilization of its operations and then look for growth in FY 2022. In the forthcoming year, SEFL 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 SEFL to access enhanced liquidity as well as allow SEFL to collaborate and widen its market and customer base, thereby helping it maintain its strong market position. While banks will have access to SEFL's strong customer relationships, OEM relationship and programs, domain expertise, risk prognosis tools arising out of three decades of experience and SEFL'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 SEFL to maximize 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, SEFL shall continue to conduct direct lending and leasing business activities with its SME and strategic customers. SEFL also plans to engage in third party leasing with a focus to increase its fee income without impacting its balance sheet. Further, SEFL will remain focused on upgrading its existing IT capabilities with automated, digitized and other technologically-enabled platforms.

RESOURCES

Your Company has allotted perpetual debentures (Tier I Capital) aggregating to Rs. 10 crores by issue of long term Non-Convertible Debentures (NCDs) during the year under review through Private Placement. Your Company has also raised Rs. 528.60 crores through Commercial Papers during the year under review. Your Company has allotted Secured Redeemable Non-Convertible Debentures aggregating to Rs 105.76 crores during the year under review.

The amount outstanding w.r.t. Unsecured Perpetual Non-Convertible Debentures (NCDs) is Rs. 330 crores (excluding interest accrued) and w.r.t. Commercial Papers is Rs. 398.30 crores as on 31st March, 2020.

RISK MANAGEMENT

Your Company continues to play a pivotal role in India's infrastructure sector. For close to three decades, your Company's business has grown manifold and risk management continues to be the core area of your Company's operation especially in an environment which is characterized by increasing uncertainties like Covid-19. Given the imperatives of enhancing shareholders value whilst maintaining highest asset quality through optimal asset allocation on the backdrop of strong business growth, risk management holds the key.

Your Company's risk management strategies are clearly based on sound understanding of various risks, and adherence to well-laid out risk policies and procedures derived from the guidance and relevant directives provided from time to time by the Reserve Bank of India (RBI) applicable for designated classifications of non-banking finance companies (NBFCs) that your Company is included in and other regulatory authorities and continuously bench marked with industry best practices.

The Board of Directors of your Company lays down the overall risk strategy and Risk Committee oversees the application and adherence to it. The policies are approved from time to time by the Board of Directors or the Risk Committee in consultation with other sub-committees of the Board.

The contours of credit risk assessment are defined by a comprehensive and well-defined consolidated Risk Policy and standardized credit approval processes. Your Company has adopted a comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market.

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

A well-designed Business Continuity Plan is also put in place, whose effectiveness is gauged by proper testing mechanisms and which ensures continuity of business in the unlikely event of business disruption. In order to provide continued and uninterrupted service even during natural disasters, a Disaster Recovery site is in place.

HUMAN RESOURCES ACTIVITIES

During the year under review, your Company continued with the three pillars of the people strategy that continued from last year. These were focussed on building organization capability, creating process excellence and working on strengthening the collaborative culture.

Your Company has continued to focus on leveraging technology and digitization as a key part of its people strategy, driven by HR.

Your Company partnered with India's premier B-School – XLRI, Jamshedpur, to co-create an M&A Case Study Competition, SREI-XLRI DEALPITCH 2020. The response was overwhelming. The plan is to partner with XLRI premier B school in India more on such campus branding activities. This Competition enables us as a firm to connect with GEN X and hear their thoughts and a beautiful confluence of experience and youth emerges.

In order to exponentially increase collaboration, idea sharing and engagement between employees, your Company had earlier launched Srei Sampark, an app-based social media platform which also acts as a digital sensor for employee mood and engagement. This has gone from strength to strength. This platform has been used for several major initiatives including engagement activities, employee value proposition (EVP), competitions, surveys etc.

For your Company, all employees form part of an extended family - the Srei Parivar and your Company has continued in its efforts to encourage wellness in mind, body and spirit. Through Swasth Srei, your Company continues to encourage wellness and healthy lifestyles of the employees.

The cloud-based Human Resource Management System (HRMS) which was launched in the year 2016 has been extended to cover more areas of HR operations.

The employee count of your Company stands at 43 (Forty Three) as on March 31, 2020.

INFORMATION TECHNOLOGY

Your Company has now been able to master contemporary language of business, leveraging on digital themes, such as speed to market, agile product development, platform-based delivery models, automation and analytical engine on various forms of corporate data. With a higher degree of digital fluency, your Company is now geared to reap the benefit of successful technology initiatives, and when the situation demands can pull the right plug to cope with any crisis, as the recent pandemic. Outbreak of Covid-19 has brought the entire world economy to its knees pushing companies to operate in new ways, and systems resilience is being tested as never before. As businesses juggle forcing employees to work from home (remotely) for health concerns, a range of new systems priorities and challenges have come to surface such as business continuity risks, sudden changes in volume, real-time decision-making, workforce productivity and security risks. Businesses are now recognizing resilience as a key success factor.

During the year, your Company upgraded all its business applications to gain momentum and moved up in the technology innovation curve. The evolutionary force of technology upgrade rightly came in time that has helped your Company to remain future ready in terms of productivity multiplier to remain competitive even at difficult times coupled with reliability, adhering to demanding IT security measures and desired control.

Your Company could seamlessly adopt remote working – Work from Home (WFH) model, thus managing successfully business continuity risk and workforce productivity. During the recent nationwide lock down, technology platforms of your Company were fully geared enabling its employees to stay safe and yet keep intact critical channels of business to function. Thus, all critical functions including business, operations collection, risk audit and accounting have been able to ensure business as usual.

INTERNAL CONTROL AND AUDIT

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility (CSR) Committee of your Company has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Committee presently comprises Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Independent Director. Mr. Hemant Kanoria, Chairman of your Company acts as the Chairman of the CSR Committee. Mr. Sandeep Lakhotia, Company Secretary acts as the Secretary to the CSR Committee.

2 (two) meetings of the CSR Committee were held during the year 2019-20 on May 20, 2019 and November 11, 2019.

The CSR Committee has formulated the CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skill 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 your Company's website at https://www.srei.com/sifl-corporate-policies/Corporate_Social_Responsibility_(CSR)_Policy.pdf.

Your Company perceives Corporate Social Responsibility (CSR) as an opportunity to contribute towards uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy of your Company is embedded in its commitment to all stakeholders namely, consumers, employees, environment and society while your Company's approach extends both to external community as well as to your Company's large and diverse internal employee base and 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 total amount available for CSR spending, being 2 (two) per cent of the average net profits of your Company made during the 3 (three) immediately preceding financial years, during the financial year 2019-20 aggregated to approximately Rs. 1,55,19,546/- (Rupees One Crore Fifty Five Lacs Nineteen Thousand Five Hundred and Forty Six only).

Recognising its social responsibility, your Company contributed Rs. 1,54,08,000/- (Rupees One Crore Fifty Four Lacs and Eight Thousand only) to Indian Institute of Information Technology, Guwahati (IIIT Guwahati), an institution of National Importance under an Act of Parliament to enable the Institute to pursue its plans of widening its academic activities and providing facilities like road networks, boundary wall, drainage, electrical sub stations, water supply, sewage treatment system, sports facilities etc. in the campus for the students.

Your Company is fully aware of the fact that as a corporate citizen, it is also entrusted with the responsibility to contribute for the betterment of the society at large. During the year under review, your Company extended support to Sonata Foundation towards operational expenses for smooth running of Animal Mobile Clinics used extensively for welfare of animals, with a sum of Rs. 2,40,000/- (Rupees Two Lacs and Forty Thousand only).

Your Company further supported Inner Wheel Club of Calcutta South City Towers towards education of underprivileged Children at Paranikheko Village with a contribution of Rs. 1,65,000/- (Rupees One Lacs and Sixty Five Thousand only).

During this year, your Company spent an aggregate amount of Rs. 1,58,13,000/- (Rupees One Crore Fifty Eight Lacs and Thirteen Thousand only), being 2.04 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, being 2 (two) per cent of the average net profits of last 3 (three) years being Rs. 1,55,19,546/- (Rupees One Crore Fifty Five Lacs Nineteen Thousand Five Hundred and Forty Six only). The manner in which the CSR amount was spent during the financial year is set out as an annexure to the Directors' Report and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility (BR) Report as stipulated under Regulation 34(2)(f) of SEBI Listing Regulations, 2015, was not applicable to your Company for Financial Year 2019-20 since your Company was not in the list of top 500 (five hundred) listed entities based on market capitalization as on March 31, 2019.

Further, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 effective from December 26, 2019, the applicability of Business Responsibility (BR) Reporting has been extended to top 1000 (one thousand) listed entities based on market capitalization.

However, your Company has voluntarily prepared a Business Responsibility Report for Financial Year 2019-20 describing the initiatives taken by your Company from an environmental, social and governance perspective. The said Report forms part of the Annual Report.

Further, your Company has in place a BR Policy approved in line with the provisions of SEBI Listing Regulations, 2015. The policy describes the principles of sustainable business that delivers value for its stakeholders including but not limited to its shareholders, employees, clients, business partners and the wider community.

SREI WEBSITE

The website of your Company www.srei.com has been developed on the new responsive technology based platform known as 'Laravel', ensuring uniform display across all devices like mobile, tablet, desktop etc. and all the operating

The contemporary and smart look of the website ensures a customer centric approach catering to the requirements of prospective customers, investors and employees.

systems. The Srei website has an inbuilt sophisticated and customized content management system for easy change in content. A simple, improved navigation system needs a lesser number of clicks to reach the information available in the different sections of the website. The contemporary and smart look of the website ensures a customer centric approach catering to the requirements of prospective customers, investors and employees. The website carries a comprehensive database of information of interest to the investors including the financial results, financial products, corporate codes and policies, corporate presentations, stock exchange intimation, media coverage, initial public offering 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 NCDs, registrar point, NCDs touch points, draft prospectus for securities 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.

SUBSIDIARY COMPANIES

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

A Report on the performance and financial position of each of the Subsidiaries and Associate companies included in the Consolidated Financial Statements prepared by your Company as per Rule 8(1) of the Companies (Accounts) Rules, 2014, forms part of the annual accounts of each of the Subsidiary and Associate companies and also forms part of Form AOC-1. The said Report is not repeated here for the sake of brevity. Members interested in obtaining a copy of the annual accounts of the Subsidiaries may write to the Company Secretary at the email id investor.relations@srei.com.

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

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

Name of the Subsidiary / Associate	Turnover / Total Income for the Financial Year ended 31.03.2020 (Rs. in Lacs)	Profit After Tax (PAT) for the Financial Year ended 31.03.2020 (Rs. in Lacs)	% Contribution on Turnover / Total Income for the Financial Year ended 31.03.2020	% Contribution on PAT for the Financial Year ended 31.03.2020
Srei Capital Markets Limited	277.56	7.94	0.0465	0.0895
Trinity Alternative Investment Managers Limited (TAIML) (Formerly Srei Alternative Investment Managers Limited)	698.06	132.94	0.1168	1.4979
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of TAIML)	3.73	(6.67)	0.0006	(0.0752)
Cyberabad Trustee Company Private Limited (Subsidiary of TAIML)	0.45	0.12	0.0001	0.0014
Srei Finance Limited (Formerly Srei Asset Finance Limited)	0.57	(2.09)	0.0001	(0.0235)
Bengal Srei Infrastructure Development Limited	4.48	(10.94)	0.0007	(0.1233)
Controlla Electrotech Private Limited	317.38	9.09	0.0531	0.1024
Srei Mutual Fund Trust Private Limited	0.06	(7.33)	0.0000	(0.0826)
Srei Mutual Fund Asset Management Private Limited	106.57	(64.65)	0.0178	(0.7285)
Srei Insurance Broking Private Limited	929.63	15.99	0.1556	0.1802
Srei Equipment Finance Limited (SEFL)	5,07,943	5,591	85.0193	62.9972
IIS International Infrastructure Services GmbH*	8.47	(3,619.87)	0.0014	(40.7872)

*Under liquidation

The names of companies which have become or ceased to be subsidiaries, joint ventures or associate companies during the year are given below:

Name	Status
E-village Kendra Limited (formerly Sahaj e-Village Limited)	Ceased to be an Associate w.e.f. 01.01.2020.

Further, during the year, your Company had invoked pledge on 4,67,500 equity shares (93.50%) of Nurit Properties Private Limited (formerly Evershine Buildcon Private Limited) on September 20, 2019 held by it as a part of security under the loan agreement entered into for such loan. Subsequently, your Company sold entire 4,67,500 equity shares (93.50%) on September 21, 2019. Necessary intimation under Regulation 30 of the SEBI Listing Regulations, 2015 was made to the Stock Exchanges in this regard on September 21, 2019.

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.

During the year under review, the lending business, interest earning business & lease business of your Company, was transferred as a going concern by way of slump exchange through a business transfer agreement to Srei Equipment Finance Limited, a wholly owned subsidiary of your Company w.e.f. October 01, 2019 and the impact of the same has been given in the books of accounts and corresponding notes to accounts of your Company.

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

As on March 31, 2020, Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company is a listed 'material' subsidiary of your Company with its debt securities being listed on the Stock Exchanges in India. However, your Company does not have any material unlisted subsidiary. Your Company has formulated a Policy for determining Material Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf.

KEY MANAGERIAL PERSONNEL (KMPs)

During the year, Mr. Sanjeev Sancheti, Chief Strategy Officer ceased to be the KMP of your Company w.e.f. May 20, 2019 and Mr. Shashi Bhushan Tiwari, Chief Risk Officer, was additionally designated as KMP of your Company w.e.f. May 20, 2019, with the approval of the Board of Directors at its meeting held on that date.

The following directors/executives of your Company are whole-time Key Managerial Personnel (KMPs) in accordance with the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013 as on March 31, 2020 –

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Rakesh Kumar Bhutoria	Chief Executive Officer
Mr. Sandeep Kumar Sultania	Chief Financial Officer
Mr. Sandeep Lakhotia	Company Secretary
Mr. Shashi Bhushan Tiwari	Chief Risk Officer

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 read with Regulation 19 of SEBI Listing Regulations, 2015. The Committee was reconstituted by the Board of Directors of your Company on May 20, 2019 by cessation of Mr. Sunil Kanoria, Non-Executive Director, as Member and induction of Mr. Balaji Viswanathan Swaminathan, Non-Executive Director, as Member of the Committee. The Committee was further re-constituted on November 14, 2019 by cessation of Mr. Balaji Viswanathan Swaminathan and induction of Mr. Malay Mukherjee, Non-Executive & Independent Director as a Member in his place. The Committee comprises Mr. Shyamalendu Chatterjee, Mr. S. Rajagopal and Mr. Malay Mukherjee, Independent Directors of your Company. Mr. Shyamalendu Chatterjee acts as the Chairman of the Nomination and Remuneration Committee. Mr. Sandeep Lakhotia, Company Secretary of your Company acts as the Secretary to the Nomination and Remuneration Committee. The Terms of Reference of the Committee has been provided in the Corporate Governance Section forming part of this Report.

2 (two) meetings of the Nomination and Remuneration Committee of your Company were held during the year 2019-20 on May 20, 2019 and November 11, 2019.

The Committee has formulated the Nomination and Remuneration Policy ('Srei Nomination and Remuneration Policy') which broadly laid 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 Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy was last revised on November 11, 2019 and is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf.

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Your Company has formulated a codified Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf.

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

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PERFORMANCE EVALUATION

The Nomination and Remuneration Committee (NRC) of your Company formulated and laid down the criteria and manner for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors, and Chairman) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015, covering inter-alia the following parameters namely:

i) Board Evaluation - degree of fulfillment of key responsibilities; Board culture and dynamics, amongst others.

ii) Board Committee Evaluation - effectiveness of meetings; Committee dynamics amongst others.

iii) Individual Director Evaluation (including Chairman, Non-Independent Non-Executive Directors and Independent Directors) - Attendance, Contribution at 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, adequate guidance to the CEO etc. Independent Directors are additionally evaluated based on fulfillment of Independence criteria as specified in SEBI Listing Regulations, 2015 and Companies Act, 2013 and their independence from the management.

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 and Corporate Social Responsibility Committee and Individual Directors (including Chairman, Independent Directors and Non Independent Non-Executive Directors). This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and 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 and also made available on their I-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2019-20 on the broad parameters as laid down by the NRC.

As an outcome of the above exercise, the performance of the Board as a whole, various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Chairman, Independent Directors and Non Independent Non-Executive Directors) was found to be satisfactory. It was also noted that besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees. It was also noted that given the changing external environment, there is need for better allocation of time for strategy reviews, periodic refreshers for the Board on key strategic thrusts.

During the year under review, the Independent Directors of your Company reviewed the performance of Non-Independent Director, the Board as a whole and Chairperson of your Company, taking into account the views of Non-Executive Director.

Further, the Independent Directors hold an unanimous opinion that the Non-Independent Director 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 which is well engaged with different perspectives and where diverse views are expressed and deliberated 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.

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.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS (IDs)

In terms of Regulation 25(7) of SEBI Listing Regulations, 2015, your Company endeavors to familiarize the Independent Directors (IDs) about your Company including nature of industry in which your Company operates, business model of your Company, roles, rights and responsibilities of IDs and any other relevant information.

The details of familiarisation programmes conducted for Independent Directors during the year, are furnished in the Corporate Governance Report and are also available on your Company's website at https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf.

In addition to the above, the Board of Directors are continuously encouraged to participate in various external training sessions to ensure that the Board members are kept up to date.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return as on the financial year ended on March 31, 2020 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. Further, the Annual Return of your Company can be accessed at https://www.srei.com/srei-annual-return.

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions of your Company are entered in the ordinary course of business and are on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the FY 2019-20. Members may refer to the notes to the financial statements for details of related party transactions.

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

In terms of Regulation 23(2) of SEBI Listing Regulations, 2015, your Company obtained prior approval of the Audit Committee for entering into transactions 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 14, 2020 and is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf.

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 annexures to the Directors' Report and forms part of this Annual Report.

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

Your Company has no activity relating to Conservation of Energy and Technology Absorption as stipulated in Rule 8(3) of Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavour to improve energy conservation and utilisation, safety and environment.

During the year under review, the total foreign exchange earnings and expenditure of your Company was Rs. 51 Lacs and Rs. 2,913 Lacs, respectively (previous year Rs. NIL and Rs. 6,228 Lacs, respectively).

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

The details of unpaid/unclaimed amounts and shares transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2019-20 have been mentioned in the Corporate Governance Report annexed to the Directors' Report.

Further, in accordance with guidelines, the Company has appointed Nodal Officer and Deputy Nodal Officer for the purposes of verification of claims and coordination with Investor Education and Protection Fund (IEPF) Authority and the requisite details are available on the Company's website www.srei.com.

AUDIT COMMITTEE

The Audit Committee of your Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. The Audit Committee presently comprises Mr. Shyamalendu Chatterjee, Mr. Srinivasachari Rajagopal, Mr. Ram Krishna Agarwal, Mr. Malay Mukherjee, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. 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. The Terms of Reference of the Audit Committee has been provided in the Corporate Governance Section forming part of this Report.

5 (five) meetings of the Audit Committee were held during the year 2019-20 on May 20, 2019 (thereafter adjourned and completed on May 25, 2019), July 04, 2019, August 07, 2019, November 11, 2019 and February 14, 2020.

Further, in case of 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.

AUDITORS

The Auditors' Report of your Company does not contain any qualification, reservation or adverse remark or disclaimer. Further, the Statutory Auditors of your Company have not reported any incident of fraud during the year under review to the Audit Committee of your Company.

At the 30th Annual General Meeting (AGM) of your Company held on August 01, 2015, Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W / W100048 allotted by The Institute of Chartered Accountants of India (ICAI), were re-appointed as Statutory Auditors of your Company to hold office for a term of 5 (Five) years from the conclusion of 30th AGM till the conclusion of the 35th AGM of your Company. As per the provisions of Section 139 of the Companies Act, 2013, the period of office of Haribhakti & Co. LLP, Chartered Accountants, as Statutory Auditors of your Company, expires at the conclusion of ensuing AGM of your Company.

The Audit Committee and the Board of Directors of your Company recommend the appointment of D. K. Chhajer & Co., Chartered Accountants, having firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI) as the Statutory Auditors of your Company. Members are requested to consider their appointment as Statutory Auditors of your Company to hold office from conclusion of ensuing 35th AGM until the conclusion of 40th AGM by way of passing of an ordinary resolution.

D. K. Chhajer & Co., Chartered Accountants have confirmed their eligibility, qualifications and other requirements of the Auditors as specified in the Companies Act, 2013 and a certificate to this effect has also been furnished by them along with their consent to hold office as the Statutory Auditors of your Company. Your Company has received a confirmation from D. K. Chhajer & Co., Chartered Accountants to the effect that their appointment as the Statutory Auditors of your Company, if made, would be within the limit prescribed under Section 141 of the Companies Act, 2013 and further that they are not disqualified to be appointed as the Statutory Auditors in terms of Sections 139 and 141 of the Act. The proposed Statutory Auditors hold a valid peer review certificate as prescribed under Regulation 33(1)(d) of SEBI Listing Regulations, 2015.

SECRETARIAL AUDIT REPORT

Your Company appointed Dr. K. R. Chandratre, Practicing Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. FCS 1370; Certificate of Practice No. 5144) as the Secretarial

Auditor of your Company for FY 2019-20 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The Secretarial Audit Report for the financial year ended March 31, 2020 does not contain any qualification, reservation or adverse remark or disclaimer and the same forms part of the Annual Report.

CORPORATE POLICIES

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

CORPORATE GOVERNANCE

Your Company has always practised sound corporate governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance.

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

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on 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.

5 (five) Board meetings were held during the year 2019-20 on May 20, 2019 (thereafter adjourned and completed on May 25, 2019), July 04, 2019, August 07, 2019, November 11, 2019 and February 14, 2020. The maximum time gap between any two consecutive meetings did not exceed 120 (one hundred twenty) days.

DIRECTORS

During the year under review, your Company re-appointed Mr. Shyamalendu Chatterjee (DIN: 00048249), Mr. Srinivasachari Rajagopal (DIN: 00022609), Dr. (Mrs.) Punita Kumar Sinha (DIN: 05229262) and Dr. (Mrs.) Tamali Sengupta (DIN: 00358658) as Independent Directors of your Company, to hold office for a second term of 5 (five) consecutive years from the date of the 34th (Thirty-Fourth) Annual General Meeting (AGM) of your Company held on July 27, 2019. In this regard, your Company issued formal letter of appointment to the Independent Directors stating inter alia the terms and conditions of their appointment and the same is also hosted on the website of your Company www.srei.com.

Further, during the year, Mr. Hemant Kanoria (DIN: 00193015) has been appointed as the Chairman of your Company, in whole time capacity, for a period of 5 (five) years w.e.f. April 01, 2019, liable to retire by rotation, on existing terms and conditions.

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. Hemant Kanoria (DIN: 00193015) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The brief resume / details relating to Director who is proposed to be appointed / re-appointed is furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the appointment / re-appointment of the above Director.

Further, Mr. Balaji Viswanathan Swaminathan (DIN: 01794148) resigned as a Director of your Company w.e.f. November 14, 2019 since he had applied for the position of Chief Executive Officer (CEO) in a Private Sector Bank in India and your Company had loans from the said Bank which cause conflict of interest. The Board wishes to place on record its sincere appreciation of the contribution, advice and guidance extended by him during his tenure as Non Executive Director of your Company.

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI Listing Regulations, 2015 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation

16(1)(b) of SEBI Listing Regulations, 2015 and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. All requisite declarations were placed before the Board. Further, the Board of Directors, took on record the declaration and confirmation submitted by the Independent Directors under Regulation 25(8) of SEBI Listing Regulations, 2015, after undertaking due assessment of the veracity of the disclosures submitted.

In terms of SEBI Listing Regulations, 2015, your Company identified the list of core skills/expertise/competencies as is required in the context of your Company's business(es) and sector(s) for it to function effectively and those which are actually available with the Board and mapped such skills to the Individual Directors of your Company. Details of such skills/ expertise/competencies as identified were reviewed by the Nomination and Remuneration Committee and the Board of Directors and are furnished in the Corporate Governance Report and forms part of this Annual Report.

Further, pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2019 ("the Rules") effective from December 01, 2019, the Independent Directors of your Company have registered themselves with the Databank maintained by the Indian Institute of Corporate Affairs (IICA). A declaration to this effect has been obtained from all the Independent Directors and the same was placed before the Board of Directors. Further, the Independent Directors of your Company have also furnished declarations w.r.t. Online Proficiency Self Assessment Test for Independent Director's Databank conducted by the IICA. Based on the declarations received, it was noted that Mr. Shyamalendu Chatterjee, Mr. Srinivasachari Rajagopal and Mr. Ram Krishna Agarwal are exempted from undertaking the Online Proficiency Self Assessment Test. Further, Mr. Malay Mukherjee and Dr. (Mrs.) Tamali Sengupta have successfully qualified the test while Dr. (Mrs.) Punita Kumar Sinha is proposing to undertake the test shortly.

Further, based on the core skills/ expertise/competencies of the present Board Members as reviewed by the Nomination and Remuneration Committee and the Board as well as the declarations w.r.t. Online Proficiency Self Assessment Test for Independent Director's Databank conducted by the IICA obtained from the Independent Directors of the Company, the Board of Directors of your Company is of the opinion that the Independent Directors re-appointed during the year under review possess the requisite expertise and experience (including proficiency) and are the persons of high integrity and repute. They fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

Considering the difficult environment for NBFCs and prevailing Covid-19 pandemic, your Company has not recommended payment of Commission to Non-Executive Directors of your Company for the Financial Year 2019-20.

In terms of the provisions of Section 197 of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013, your Company is required to obtain the approval of the Members by way of a Special Resolution for payment of remuneration to Managerial Personnel beyond the limits prescribed thereunder. Your Company has therefore proposed obtaining approval of the Members by way of Special Resolution at the ensuing 35th Annual General Meeting (AGM) of your Company for waiver of excess managerial remuneration paid to Mr. Hemant Kanoria, Chairman, for the Financial Year 2019-20.

Further, the senior management team (including Chairman and Chief Executive Officer) of your Company decided to lead the efforts on expense control by volunteering to take pay cuts for the Financial Year 2020-21. The Chairman voluntarily reduced his pay by 30% (thirty per cent) and the Chief Executive Officer (CEO) & other senior management members reduced their pay in the range of 20% (twenty per cent) to 25% (twenty five per cent). Further, Mr. Hemant Kanoria, Chairman has also voluntarily decided to forego the Commission entitlement for the Financial Year 2019-20, in view of present difficult environment for NBFCs and Covid-19 pandemic. Therefore, no Commission is payable to him for the year 2019-20.

Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman of your Company, are also the managerial personnel of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company and are in receipt of remuneration for the Financial Year 2019-20 from SEFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)
Hemant Kanoria	497.20
Sunil Kanoria	497.86

Further, Mr. Shyamalendu Chatterjee, Independent Director of your Company, is the Chairman (Non – Executive) of Srei Capital Markets Limited, wholly owned subsidiary of your Company and is in receipt of sitting fees of Rs. 1 Lac from the said subsidiary company during Financial Year 2019-20. Further, Dr. (Mrs.) Tamali Sengupta, Independent Director of your Company, is an Independent Director of SEFL and is in receipt of sitting fees of Rs. 4.20 Lacs from SEFL during Financial Year 2019-20.

Further, during the Financial Year 2019-20, Mr. Shyamalendu Chatterjee was also an Independent Director of SEFL and was in receipt of sitting fees of Rs. 2.45 Lacs from SEFL. Mr. Chatterjee thereafter resigned as an Independent Director of SEFL w.e.f. May 17, 2019. Mr. Shyamalendu Chatterjee has been re-appointed as an Independent Director of SEFL for a second term of 5 (five) consecutive years w.e.f. April 02, 2020.

Apart from the above, none of the Directors of your Company have received any remuneration or commission from any of your Company's subsidiaries or holding company during the Financial Year 2019-20.

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 (Act), your Board of Directors to the best of their knowledge and ability confirm that:

(i) in the preparation of the annual accounts for the financial year ended March 31, 2020, 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 your Company at the end of the financial year and of the profit of your 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 financial year ended March 31, 2020 on a going concern basis;

(v) they have laid down internal financial controls to be followed by your Company and that such internal financial 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.

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
- Maintenance of Cost records is not applicable to your Company.

AWARDS AND RECOGNITION

Your Company completed the assessment conducted by Great Place to Work Institute, India and was certified as a "Great Place to Work" for the period March, 2019 to February, 2020.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the excellent support and co-operation received from the Financial Institutions, Banks, Central & State Government Authorities, RBI, SEBI, MCA, Stock Exchanges, Depositories, Credit Rating Agencies, Customers, Manufacturers, Vendors, Suppliers, Business Associates, Members, Debenture holders, Debenture Trustees and other Stakeholders during the year under review. Your 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 realisation of the corporate goals in the years ahead.

On behalf of the Board of Directors

Hemant Kanoria

Hemant Kanoria
Chairman
DIN 00193015

Kolkata, July 28, 2020

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company :** L29219WB1985PLC055352

2. **Name of the Company :** Srei Infrastructure Finance Limited

3. **Registered address :** 'Vishwakarma', 86C Topsia Road (South), Kolkata- 700046, West Bengal, India

4. **Website :** www.srei.com

5. **E-mail id :** secretarial@srei.com

6. **Financial Year reported :** April 01, 2019 to March 31, 2020

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** The Company holds a certificate of registration issued by the Reserve Bank of India (RBI) allowing the Company to carry on the business of non-banking financial institution under Section 45-IA of the RBI Act, 1934. The Company is classified as an Infrastructure Finance Company – Systemically important Non - Deposit taking under Section 45-IA of the RBI Act, 1934. The Company is also notified as a Public Financial Institution (PFI) by the Ministry of Corporate Affairs (MCA), Government of India.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):** During the earlier years, the business activities of the Company were categorised into Fund based and Fee based activities. During the year under review, the Company decided to consolidate the entire fund based activities into one entity and hence through a scheme of Slump Exchange, the fund based business was transferred to the Company's wholly owned subsidiary, Srei Equipment Finance Limited.

   Going forward, the business activities of the Company will be Fee based activities primarily focussed on Infrastructure Project Advisory and Financial Solutions Advisory.

9. **Total number of locations where business activity is undertaken by the Company**

   (a) **Number of International Locations (Provide details of major 5) :**Nil.

   (b) **Number of National Locations:** Kolkata, New Delhi, Mumbai, Hyderabad and other offices.

10. **Markets served by the Company – Local/State/National/ International:** The Company primarily serves clients and customers in National locations and select few in International locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR):** Rs. 503.08 Crores comprising of 50,30,86,333 equity shares of Rs. 10/- each.

2. **Total Turnover (INR):** Rs. 114.46 Crores (Total Income which includes Revenue from Operations and Other Income).

3. **Total profit after taxes (INR):** Rs. 13.56 Crores.

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

   a. **Average net profit of the Company for last three financial years (INR):** Rs. 77.60 Crore.

   b. **Prescribed CSR Expenditure (two per cent of the amount as in Sl. No. 4(a) above) (INR):** Rs. 1.55 Crore.

   c. **Total amount spent for the Financial Year:** The Company has spent Rs. 1.58 Crores i.e. approximately 2.04% of the average net profits of 3 (three) immediately preceding financial years. Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the annual report for the year ended March 31, 2020.

5. **List of activities in which expenditure in 4 above has been incurred:** The CSR activities are carried out by the Company in multiple ways:

   1. Independently.
   2. Jointly with Srei Foundation, IISD Edu World, Acid Survivors and Women Welfare Foundation.
   3. In partnership with external social bodies / NGOs.

   The CSR activities are carried out along the following thrust areas which are within the permissible scope of CSR under the Companies Act, 2013:

a. Education and Skills Development.
b. Healthcare / Medical facilities.
c. Social and Economic Welfare.
d. Environmental Sustainability.

During the Financial Year 2019-20, the CSR expenditure was incurred on promoting Education and Animal welfare.

For further details kindly refer Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2019-20 annexed to the Directors Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company had 11 subsidiaries as on 31st March, 2020.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)-

Yes, the Company encourages its subsidiaries to participate in the BR initiatives. Few subsidiary companies directly or indirectly endorse or participate in the BR initiatives of the Company. Further, 1 (one) subsidiary of the Company has contributed to the corpus of Srei Foundation during the Financial Year 2019-20.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

No.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR.

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. **Director Identification Number (DIN):** 00048249
2. **Name:** Mr. Shyamalendu Chatterjee
3. **Designation:** Non-Executive and Independent Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director of the Company, oversees the BR implementation. However, the Company does not have a BR head.
2	Name	
3	Designation	
4	Telephone number	
5	e-mail id	

Note: The Company has constituted a Business Responsibility Committee (BR Committee) comprising of Directors and Senior Executives. Mr. Shyamalendu Chatterjee is designated as Director responsible for implementation of the Business Responsibility Principles as well as the BR Policy of the Company.

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

P1.	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2.	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3.	Businesses should promote the well-being of all employees.
P4.	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5.	Businesses should respect and promote human rights.
P6.	Business should respect, protect, and make efforts to restore the environment.
P7.	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8.	Businesses should support inclusive growth and equitable development.
P9.	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of compliance (Reply in Y/N):

No.	Questions	Ethics, transparency and accountability	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6 (Refer Note)	P7	P8 (Refer Note)	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	Ethics, transparency and accountability P1	Product safety P2	Well-being of employees P3	Stakeholders engagement P4	Human rights P5	Environment Policy P6 (Refer Note)	Public and regulatory policy P7	Inclusive growth P8 (Refer Note)	Value to customers and consumers P9
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-*	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	-	-	Y	Y
		The policies are based on NVG guidelines.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?[@]	1. Srei Investor Grievance Redressal Policy is available at https://www.srei.com/sifl-corporate-codes 2. Whistle Blower Policy is available at https://www.srei.com/sifl-corporate-codes 3. Corporate Social Responsibility (CSR) Policy is available at https://www.srei.com/sifl-corporate-codes 4. Nomination & Remuneration Policy is available at https://www.srei.com/sifl-corporate-codes 5. Policy on Board Diversity is available at https://www.srei.com/sifl-corporate-codes 6. Policy on Prevention of Sexual Harassment is available at https://www.srei.com/sifl-corporate-codes 7. Srei Code of Conduct for Prohibition of Insider Trading 8. Srei Code of Conduct for Board of Directors and Senior Executives is available at https://www.srei.com/sifl-corporate-codes 9. Srei Fair Practices Code is available at https://www.srei.com/sifl-corporate-codes 10. Corporate Governance Framework is available at https://www.srei.com/sifl-corporate-codes 11. ESMS Policy is available at https://www.srei.com/sifl-corporate-codes 12. Data Privacy and Protection Policy is available at https://www.srei.com/sifl-corporate-codes 13. Dividend Distribution Policy is available at https://www.srei.com/sifl-corporate-codes 14. Shareholders' Referencer is available at https://www.srei.com/sifl-shareholders-information-shareholders-referencer 15. Public policy and advocacy is available at https://www.srei.com/sifl-corporate-codes 16. Corporate Governance Manual Note: The remaining policies of the Company are internal documents and are not accessible to the public.								

No.	Questions	Ethics, transparency and accountability	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6 (Refer Note)	P7	P8 (Refer Note)	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?#	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note:

P6: The aspects outlined under this Principle are not substantially relevant to the Company given the nature of its business. The Company complies with applicable environmental regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental issues.

P8: The Company directly and along with the Srei Foundation, has been working on several initiatives for promotion of inclusive growth.

* The consultations are conducted as required and where relevant.

All policies and practices are subject to internal audit and / or review from time to time.

@ Few policies are available only on the Company's intranet.

b. If answer to question at Serial Number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	Ethics, transparency and accountability	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-

No.	Questions	Ethics, transparency and accountability	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Annually. The Business Responsibility Committee (BR Committee) meets at least once in a year or more often, if required to review and decide on any matter concerning applicability, interpretation, operation and implementation of the BR Policy. The BR Committee recommends amendments, if any to the BR Policy and also approves the BR Report which forms part of the Annual Report of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company prepares Business Responsibility Report annually based on applicable regulatory guidelines. Further, the Report forms part of the Annual Report of the Company and is also available on the website of the Company at the link https://www.srei.com/sifl-annual-report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to acting professionally, fairly and with integrity in all its dealings. The Company has adopted a 'zero-tolerance' approach to bribery and corruption. The Srei Code of Conduct which captures the behavioural and ethical standards along with 'zero tolerance' towards bribery is applicable, inter alia, to directors and employees of the Company. The Company also has in place a Know Your Customer (KYC) and Anti-Money Laundering (AML) policy which states that statutory and regulatory obligations to prevent money laundering are to be met in full. The Company also has a Fraud Prevention & Detection Policy to facilitate the development of controls which will aid in the prevention, detection and reporting of fraud against the Company.

The Company's philosophy on Corporate Governance, inter alia, is aimed at enhancing long term shareholder value, achieving transparency and professionalism in all decisions and activities of the Company and achieving excellence in corporate governance.

The Company has developed good governance structure and formulated procedures and practices that ensure ethical conduct at all levels of the organization. The Company continuously reviews and upgrades the procedures and practices. The Company does not engage in any practice that is abusive and corrupt.

Further, the Directors, Management and Employees at all level ensure good governance, ethical practices, transparency and accountability in conducting affairs of the Company and dealing with stakeholders of the Company. The Company also conducts programs to familiarize the Directors with changes in regulatory and business environment.

The Company promptly posts on its website information regarding quarterly, half yearly and annual financial results/ statements (standalone as well as consolidated) of the Company and its subsidiaries, Notices of general meetings, Intimations of 'Record-date', Annual Reports, Shareholding patterns, Prospectus, profile of Board of Directors and other information as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and provisions of the Companies Act, 2013 such that the same is easily accessible to the holders of the listed securities. The website is regularly updated from time to time.

The Company has prepared and published a Shareholders Referencer, a handbook for shareholders, which is available on the website of the Company under the head 'Investor Zone'. It serves as an easy guide for the investor's share and dividend related queries and inter-alia covers the shareholders' grievance redressal mechanism and their duties & responsibilities.

The Company has also prepared a Corporate Governance (CG) Manual which is a consolidation of key aspects from various polices set out by the Company as required by the Companies Act, 2013 and the SEBI Listing Regulations and also sets out various practices followed by the Company at different levels, especially the Board of Directors of the Company and vindicates the Company's principles of integrity, ethics, fairness and accountability.

To ensure that these principles translate into consistent practice, the below enablers lead the Company towards high standards of business conduct.

Board of Directors

Our Board of Directors lead the Company towards a sustainable growth path based on integrity, fairness and responsibility. The Board members bring to the table, a wealth of experience, the strength of entrepreneurship and the breadth of global perspective.

The Company conducted familiarisation programme for the Independent Directors.

Board Committees

Dedicated Board committees are formed to oversee important functions to increase the efficacy of governance. These comprise of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Committee, Committee of Directors, Asset Liability Management Committee, Credit Committee, Investment Committee, Business Responsibility Committee, IT Strategy Committee and Governance Committee.

Code of Conduct & Policy

Our code of conduct encourages and enables our employees to succeed by embracing fair practices. In addition to the code of conduct, various policies have also been designed to address specific purposes.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

During the earlier years, the business activities of the Company were categorised into Fund based and Fee based activities. During the year under review, the Company decided to consolidate the entire fund based activities into one entity and hence through a scheme of Slump Exchange, the fund based business was transferred to the Company's wholly owned subsidiary, Srei Equipment Finance Limited.

Going forward, the business activities of the Company will be Fee based activities primarily focussed on Infrastructure Project Advisory and Financial Solutions Advisory. The Company ensures that its activities comply with applicable statutes and regulations.

Principle 3: Businesses should promote wellbeing of employees

Spirituality and well-being at work place are two necessary components. The Company believes that well-being is the key for sustenance for both, the Company and the Employees. A healthy workforce is in the Company's best interest and serves as a strategic asset and hence the Company endeavours to keep its people well.

The intent of Swasth Srei is to create a "culture of wellness" that fosters a long term commitment to healthy lifestyles and the reduction of health risks amongst the employees. We have able to incorporate Yoga sessions as a mark of concentration & healing of specific disease. The Company believes that healthy employees tend to experience a better quality of life and higher personal productivity and those who discover health problems early tend to get well faster and spend less on medical care. The Company's strategy is to make every employee active and informed participants as far as their health is concerned. The mission of Swasth Srei underscores that wellness is a partnership between the employer and employee to support each other in creating a healthy workforce with high morale and positivity. The Company therefore believes that "Effective health coaching is essential to improving health behaviours" and therefore continuously organizes various health coaching sessions for the employees.

The Company also believes that employees are its most valuable asset and greatest strength. With this firm belief, the Company considers wellness, safe and healthy living of its employees as one of the important aspects of work culture. The Company has an extremely strong Employee benefit scheme supported by various insurance programs like Health, Health top-up, Personal Accident, Term life, Voluntary term life, Employees Deposit Linked Insurance (EDLI) etc. In order to boost the employee morale, the Company has introduced various innovative measures under its insurance platform like continuity of health cover post retirement, availing of continuity benefit post separation with the Company etc. Further, the Health plans were suitably amended time to time to keep pace with the technology advancement and global standards.

The Company has also invested heavily into preventive wellness for its employees. The range of services includes on-site complimentary health check-ups, health camps, discounted health check-up plans etc. To generate awareness among the employees, the Company keeps on organising health talks / shows where eminent medical stalwarts are invited to share from their rich experience. Srei Group, an award holder of Gold category and Platinum category for consecutive two years, has elevated itself to be recognised on the Global platform of Arogya, a Clinton Global Initiative of Healthy Workplace.

The Company has also participated in the areas of employee benefits such as Adult vaccination for employees & their families for Hepatitis B, Influenza, Swine Flu and Cervical Cancer. Further, project "Vendigo" has been installed by the Company at few branches, which is a sanitary napkin vending machine. Human Gene Analysis, Awareness & Utility of Stem Cells with specialised packages for both Employees & their nearest Kin. All these efforts have led the Company being conferred with the "Accreditation of Global Centre for Healthy Workplace" which is valid till 2020.

During the year, the Company continued to take various initiatives for employee welfare such as encouraging employees towards a healthy lifestyle and supported various health initiatives such as Marathons, Yoga and promoted Sports Clubs for cricket, football, badminton and table tennis.

The Company provides equal opportunity to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Further, in order to prevent sexual harassment of women employees, the Company has Internal Complaint Redressal Committees at various workplaces.

For enhancing the reach and ease of recognition, the Company has 'Srei Shabash' in the digital platform of the Company called 'Srei Sampark'. Under Srei Sampark, the Company has various modules to connect with employees like Query Bytes, Feedback Central and Idea Hub.

Further, for the smooth assimilation of new recruits in the Company, Design for Success programme was rolled out which encompassed support to the new entrants. An Engagement Calendar with the various Fun at work events planned for the entire year is captured. The Company makes celebrations a joyful experience for the employees. The Company completed the assessment conducted by Great Place to Work Institute, India and was certified as a "Great Place to Work" for the period March, 2019 to February, 2020.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The stakeholders consist of customers, investors and market intermediaries, lenders, employees, society and government authorities. The Investors comprise of shareholders (including Institutional Investors) and Debenture holders. The lenders comprise of banks, financial institutions and public.

As a Non Banking Finance Company, the liquidity and ongoing profitability are, in large part, dependent upon our timely raising of capital and the costs associated therewith. The funding requirements historically have been met from a combination of term loans from banks and financial institutions, issuance of debt securities etc.

The Company supports education institutions and provide opportunities to deserving students (from marginalized sections of society) through various channels. The Company also ensures and promotes a culture of healthy workforce by creating awareness and raising consciousness among people. The Company also supports the cause of building social institutions by advancing financial grant towards construction of houses, girl marriage and other social essentialities to the underserved.

1. Customers

The Company focuses on reaching closer to the grassroots and making the Company a preferred choice for providing holistic infrastructure financial solutions. The Company makes infrastructure financing solutions available to all qualified applicants without discrimination and the Company treats all customers consistently and fairly. The Company communicates to its customers in transparent manner about the terms and conditions of the finance, including interest rates and mechanism for redressal of customer's grievances, etc. in accordance with regulations stipulated by the Reserve Bank of India (RBI).

The Company ensures that while dealing with customers, the employees follow Srei Fair Practices Code. All customer grievances are effectively resolved through mechanism laid down in the Code. The Fair Practices Code is displayed on website of the Company at www.srei.com.

2. Investors and Lenders

The Company has consistent track record of payment of dividend for past several years. The Company is regular in payment of interest and repayment of credit facilities availed from Banks and Financial Institutions & Bondholders of the Company.The track record has enabled the Company to obtain appropriate credit ratings from the Credit Rating Agencies. This allows raising of funds from investors. The Company believes that it enjoys good reputation, goodwill and standing in the financial markets. The Company has formulated a Dividend Distribution Policy which is available on the website of the Company at www.srei.com. The said Policy encapsulates inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc.

3. Society

The Company works towards creation of value for the society in a manner which is sustainable, scalable and replicable. As a part of Corporate Social Responsibility (CSR), the Company is actively engaged in deliberating and practicing humble service to Humanity on a sustainable basis. The Company perceives CSR as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy is embedded in its commitment to all stakeholders namely consumers, employees, environment and society while the Company's approach extends both to external community as well as to the Company's large and diverse internal employee base and their families. The Company has formulated a CSR Policy which is available on the website of the Company at www.srei.com. The said Policy encapsulates inter alia, the Company's CSR Vision and Mission, approach to CSR, CSR thrust areas etc. For further details, please refer to the Annual Report of the Company for the Financial Year 2019-20.

Principle 5: Businesses should respect and promote human rights

The Company is committed to provide a work environment that is free from discrimination and harassment for all employees. The Company is an equal opportunity employer and makes employment decisions based on merit and business needs. The Company moves ahead embracing employee diversity in race, religion, marital status, gender, age and ethnic origin. The Company's business is spread across the Country and in the course of its business activities, the Company respects the culture, customs and traditions of the region in which it operates.

The Company's operations are aligned to its vision, mission statements and is guided by its core values - Customer partnership, Respect for people, Integrity, Stakeholder's value enhancement, Professional entrepreneurship & Passion for excellence. All of this and organizational policies, procedures, and benefits that effect the employees are encapsulated in "Srei Niti", the HR manual of the Company and the same is available on the Intranet of the Company.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

The Company has formulated an Environmental & Social Management System (ESMS) which reduces the business risk of its portfolio related to E&S issues and enables adherence to sustainable finance practices.The Company continues to create awareness about environment protection. The Company is continuously making appeal to its shareholders to participate in the 'Green initiative' to reduce use of paper by converting their holding of physical shares into electronic shareholding by dematerialization, receiving soft copies of annual reports using internet facilities, receiving dividend by direct credit to their bank accounts instead of physical dividend warrants etc.

The Company also spreads awareness about conservation and optimum utilization of resources across all levels of the organization as well as in all branch offices spread across the Country. As a part of Green initiative for paperless office, the Company uses electronic methods of communication within and outside its offices and avoids use of paper as far as possible to contribute to green environment as much as possible.

For payment of Interest, dividend, maturity amount of debentures etc. as far as possible, the Company use methods of electronic remittances such as NACH, NEFT, RTGS which also ensures faster credit of money to the bank accounts of the investors, avoids use of paper for dividend warrants, interest warrants, cheques. Our objective is to achieve highest level of paperless office by adopting practices, methods and modern techniques in our internal and external communication with all stakeholders.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

In order to address various policy and regulatory issues that have an adverse impact on the different businesses, the Company believes in adopting a consultative approach with the Ministries and various Regulatory Agencies. The aim is to provide constructive feedback to the Government so that the business climate can be improved which, in turn, enhances India's attractiveness as an investment destination to investors around the world.

Principle 8: Businesses should support inclusive growth and equitable development

The Company understands the impact of its businesses on social and economic development and responds through appropriate action to minimize the negative impacts. The Company also makes efforts to complement and support the development priorities at local and national levels. The Company aims at undertaking business and/or projects in the regions that are underdeveloped and accordingly promotes 'financial inclusion' which is the focus point of all welfare initiatives of the Government.

The Company has formulated a CSR Policy which is available on the website of the Company at www.srei.com. Please refer the Annual Report of the Company for the Financial Year 2019–20 containing details of Company's CSR activities undertaken for the benefit of financially weaker and vulnerable sections of the society.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company strives hard to provide best possible services and value to its customers. The Company has effectively implemented the Fair Practices Code for redressal of customer grievances.

The Company does not restrict the freedom of choice and free competition in any manner while engaging in business activities.

BUSINESS RESPONSIBILITY PARAMETER INDEX

Principle-Wise Performance

Sr. No.	Questions	Whether Complied?
Principle 1		
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?	Yes, it covers the Company and its subsidiaries.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaint was received regarding ethical and other matters contained in this principle.
Principle 2		
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	The Company is not engaged in manufacture of any goods. The Company is a Non banking Finance Company engaged primarily in Fee based activities focussed on Infrastructure Project Advisory and Financial Solutions Advisory. The Company complies with the environmental & social norms and laws of the Country while undertaking its business activities.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable.
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Not Applicable.
5.	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company is not engaged in the manufacture of any goods. The waste generated at its offices is managed as per the waste disposal process. ` The Company has procedures in place to dispose of e-waste through authorised e-waste vendors. The Company has normal sewerage system as per plans of Municipality.
Principle 3		
1.	Please indicate the Total number of employees.	43 (Forty Three)
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	20 (Twenty)
3.	Please indicate the Number of permanent women employees.	7 (Seven)

<table>
<tr><th>Sr. No.</th><th>Questions</th><th>Whether Complied?</th></tr>
<tr><td>4.</td><td>Please indicate the Number of permanent employees with disabilities</td><td>The Company does not specifically track the number of disabled employees. The Company is an equal opportunity employer and treats all employees at par.</td></tr>
<tr><td>5.</td><td>Do you have an employee association that is recognized by management.</td><td>No.</td></tr>
<tr><td>6.</td><td>What percentage of your permanent employees is members of this recognized employee association?</td><td>Not Applicable.</td></tr>
<tr><td>7.</td><td>Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td><table>
<tr><th>No.</th><th>Category</th><th>No. of complaints filed during the year</th><th>No. of complaints pending as on end of the financial year</th></tr>
<tr><td>1</td><td>Child labour / forced labour / involuntary labour</td><td>-</td><td>-</td></tr>
<tr><td>2</td><td>Sexual harassment</td><td>-</td><td>-</td></tr>
<tr><td>3</td><td>Discriminatory employment</td><td>-</td><td>-</td></tr>
</table></td></tr>
<tr><td>8.</td><td>What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
a. Permanent Employees
b. Permanent Women Employees
c. Casual/Temporary/Contractual Employees
d. Employees with Disabilities</td><td>95% (Ninety Five per cent)</td></tr>
<tr><td colspan="3">Principle 4</td></tr>
<tr><td>1.</td><td>Has the Company mapped its internal and external stakeholders? Yes/No</td><td>Yes.</td></tr>
<tr><td>2.</td><td>Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.</td><td>Yes.</td></tr>
<tr><td>3.</td><td>Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.</td><td>Yes. Please refer Para 3 of Principle 4 under Section E of this Report.</td></tr>
<tr><td colspan="3">Principle 5</td></tr>
<tr><td>1.</td><td>Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?</td><td>Yes, the policy also extends to our subsidiaries.</td></tr>
<tr><td>2.</td><td>How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?</td><td>No complaint was received for human rights violation during the reporting period.</td></tr>
<tr><td colspan="3">Principle 6</td></tr>
<tr><td>1.</td><td>Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.</td><td>The ESMS policy not only covers the Company but extends to its borrowers as well for compliance during the tenure of engagement. The Company complies with relevant applicable international & national environmental and social regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental and social issues.</td></tr>
</table>

Sr. No.	Questions	Whether Complied?
2.	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company has Environment and Social policy in place. The Company has taken the green initiative through paperless office, water conservation etc. The offices have been designed such that they are equipped with energy efficient air conditioners. As a part of Green initiative for paperless office, the Company uses electronic methods of communication within and outside our offices and avoids use of paper as far as possible. The Company has invested and financed a couple of green projects and plans to extend its green portfolio steadily.
3.	Does the Company identify and assess potential environmental risks? Y/N	Yes, the Company is aware of the potential environmental and social risks and participates in initiatives as mentioned above to address the environmental and social concerns. The Company complies with applicable environmental and social regulations in respect of its premises and operations.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Not applicable to the Company as it is a Non-Banking Financial Institution.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company participates in several initiatives in the area of environment sustainability. The Company invests in clean technology like Wind Power and Hydro Power.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company complies with applicable environmental and social regulations in respect of its premises and operations.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil.
Principle 7		
1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Yes, the Company is a member of various industry associations. The notable names among those include Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Associated Chambers of Commerce & Industry in India (ASSOCHAM), Indian Chamber of Commerce (ICC), Bengal Chamber of Commerce & Industry (BCCI) and Finance Industry Development Council (FIDC). Members of the Senior Management of the Company are active participants and contributors in a number of the sectoral committees set up by these industry bodies.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, the Company uses these platforms to take up with the Government and Regulators sector-specific reforms required in areas of its business activities. The policy advocacy, through these industry bodies, is done sometimes through sending of representations to the Government and Regulatory Bodies, sometimes through meetings with concerned officials and sometimes through organization of theme-specific conferences and seminars.

Sr. No.	Questions	Whether Complied?
Principle 8		
1.	Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has formulated a Corporate Social Responsibility (CSR) Policy. Please refer Para 1 & 2 of Principle 8 under Section E of the Report for further details.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Yes, the projects are undertaken primarily through in-house teams and Srei Foundation, with the assistance of implementation partners wherever required.
3.	Have you done any impact assessment of your initiative?	No.
4.	What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	The Company has spent Rs. 1.58 Crores on CSR activities during the financial year ending on 31st March, 2020. During the Financial Year 2019-20, the CSR expenditure was incurred on promoting Education and Animal welfare. Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the Annual Report for the year ending on 31st March, 2020.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, the Company actively encourages participation of stakeholders in various programs. This includes both volunteering and proactive participation.
Principle 9		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	None.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Not Applicable.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	In the ordinary course of Company's business, several customers and borrowers may have disputes with the Company which could result in their filing a civil suit claiming compensation for damages and for enforcing contractual obligation etc., criminal complaint or consumer complaint alleging deficiency of services. The Company always strives to have a cordial relationship with its customers and attempts to have an amicable settlement of the dispute but yet, in some cases it may need to pursue legal resolution of the same.
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	No.

For Srei Infrastructure Finance Limited

Sd/-

Shyamalendu Chatterjee

DIN: 00048249

Chairman - Business Responsibility Committee

Place: Kolkata

Date: July 28, 2020

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:
The Members,
Srei Infrastructure Finance Limited
Vishwakarma, 86C, Topsia Road (South)
Kolkata – 700 046

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Srei Infrastructure Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2020 ('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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) 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;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**.

(vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

  (a) Reserve Bank of India (RBI) Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

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

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I 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. 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 Meetings, agenda and detailed notes on agenda were sent 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.

I 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.

I further report that during the audit period:

1. The Board of Directors in its meeting held on 4 July, 2019, has considered and decided not to proceed with a Composite Scheme of Arrangement and Amalgamation approved earlier amongst the Company, Srei Equipment Finance Limited ("Srei Equipment") [a wholly owned subsidiary of the Company (WOS)] and Srei Asset Finance Limited [another WOS - now known as Srei Finance Limited].

   Further, Board approved and after obtaining other requisite approvals including of shareholders, proceeded with transfer of Lending Business, Interest Earning Business & Lease Business together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures issued by the Company) ("Transferred Undertaking"), of the Company into Srei Equipment Finance Limited, a wholly owned subsidiary of the Company, as a going concern basis by way of slump exchange through a Business Transfer Agreement, made effective from 1 October, 2019. The said slump exchange has been done for a lump sum consideration, without values being assigned to the individual assets and liabilities, which was discharged by Srei Equipment by way of issue and allotment of 1,93,56,415 Equity Shares of Srei Equipment of face value Rs. 10/- (Rupees Ten Only) each carrying a premium of Rs. 481/- (Rupees Four Hundred Eighty One Only) each to the Company.

   However, the Company, though obtained approval of debenture trustee for NCD holders and from the lead banker of the consortium, is still in the process of obtaining necessary consent from various lenders with regard to the transaction of slump exchange.

2. The Company issued unsecured perpetual Non-Convertible Debentures (NCDs) amounting to Rs. 10 Crores on private placement basis, which are listed on the BSE Limited.

Sd/-

Place: Pune
Date: July 28, 2020

Dr. K. R. Chandratre
FCS No. 1370, C P No. 5144
UDIN: F001370B000518700

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

[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 Infrastructure Finance Limited are carried out in multiple ways:

a. Independently

b. Jointly with Srei Foundation, Srihari Global IISD Foundation, Acid Survivors and Women Welfare Foundation

c. In partnership with external social bodies / NGOs.

Our activities are carried out along the following thrust areas:

a. Education and Skills Development:

Supporting educational institutions and providing opportunities to deserving students (from marginalized sections of society) through various channels.

b. Healthcare / Medical facilities:

Ensuring and promoting a culture of healthy workforce by creating awareness and raising consciousness among people.

c. Social and Economic Welfare:

Supporting the cause of building social institutions by advancing financial grants towards construction of houses, girl marriage, and other social essentialities to the underserved.

d. Environmental Sustainability:

Raising 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:

https://www.srei.com/sifl-corporate-policies/Corporate_Social_Responsibility_(CSR)_Policy.pdf

The details of the CSR activities undertaken at Srei Infrastructure Finance Limited can be accessed at: https://www.srei.com.

2. The Composition of the CSR Committee

Committee Members:

- Mr. Hemant Kanoria, Chairman
- Mr. Sunil Kanoria, Non-Executive Director
- Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director

Secretary (Non-Member):

- Mr. Sandeep Lakhotia

3. Average net profit of the company for last three financial years

Rs. 77,59,77,324/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Rs. 1,55,19,546/-

5. Details of CSR spent during the financial year

a. **Total amount to be spent for the Financial Year:** The Company has spent Rs. 1,58,13,000/- against the mandated requirement of Rs. 1,55,19,546/-

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	Cl.(ii) Promoting Education	Guwahati, Assam	1,54,08,000	1,54,08,000	3,14,08,000	Indian Institute of Information Technology, Guwahati (IIITG)**
2.	Animal Welfare (Running of animal rescue mobile units)	Cl.(iv) Animal Welfare	Kolkata, West Bengal	2,40,000	2,40,000	10,60,000	Sonata Foundation***
3.	Promoting Education	Cl.(ii) Promoting Education	South 24 Parganas, West Bengal	1,65,000	1,65,000	1,65,000	Inner Wheel Club of Calcutta South City Towers****
	TOTAL			**1,58,13,000**	**1,58,13,000**	**3,26,33,000**	

*The amount of cumulative expenditure made by the Company on all CSR projects so far is Rs. 10,95,03,962.

**Indian Institute of Information Technology, Guwahati (IIITG) is an institution of National Importance under an Act of Parliament and aims at generating highly competent manpower of global standards for the Information Technology Industry. IIITG has an established track record of more than 3 (three) years in undertaking such projects and programs.

***Sonata Foundation is registered as a Society under Societies Act XXVI of 1961 working on key issues of animal husbandry, dairying & fisheries, aged/elderly, agriculture, art & culture, environment & forests, amongst others. Sonata Foundation has an established track record of more than 3 (three) years in undertaking such projects and programs.

****Inner Wheel Club of Calcutta South City Towers is registered as a Society at Kolkata, West Bengal working on key Issues of Education & Literacy. The Club 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/-	Sd/-
	Hemant Kanoria	**Shyamalendu Chatterjee**
	DIN: 00193015	DIN: 00048249
Place: Kolkata	Chairman of Committee	Member of Committee
Date: July 28, 2020	(Chairman)	(Independent Director)

Form NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[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	L29219WB1985PLC055352
ii.	Registration Date	29th March,1985
iii.	Name of the Company	Srei Infrastructure 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: corporate@srei.com Telephone no: 91-33-6160-7734 Fax no: 91-33-2285-7542 / 8501
vi.	Whether listed company (Yes / No)	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) Selenium Building, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Email: einward.ris@kfintech.com Telephone no: 040-67161500 / 2222, 1800-345-4001 Fax no: 040-23420814

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	77.94

*As per National Industrial Classification – 2008: Ministry of Statistics and Programme Implementation

**Represents total income from operations

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.	Adisri Commercial Private Limited 3, Middle Road, Hastings, Kolkata- 700 022	U67190WB2014PTC199720	Holding	60.36	2(46)
2.	Srei Capital Markets Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U67190WB1998PLC087155	Subsidiary	100	2(87)
3.	Trinity Alternative Investment Managers Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65999WB1994PLC065722	Subsidiary	100	2(87)
4.	Hyderabad Information Technology Venture Enterprises Limited 5-9-58 / B, Parisrama Bhavanam, Basheerbagh, Hyderabad – 500 004	U72200TG1998PLC029282	Step-down Subsidiary	51	2(87)
5.	Cyberabad Trustee Company Private Limited 5-9-58 / B, Parisrama Bhavanam, Basheerbagh, Hyderabad – 500 004	U72200TG1999PTC033128	Step-down Subsidiary	51	2(87)
6.	Bengal Srei Infrastructure Development Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U70109WB2004PLC100517	Subsidiary	51	2(87)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
7.	Controlla Electrotech Private Limited Y10 / EP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091	U29303WB1991PTC052455	Subsidiary	100	2(87)
8.	Srei Mutual Fund Asset Management Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65990WB2009PTC139801	Subsidiary	100	2(87)
9.	Srei Mutual Fund Trust Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65990WB2009PTC139790	Subsidiary	100	2(87)
10.	Srei Insurance Broking Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U67120WB2002PTC095019	Subsidiary	100	2(87)
11.	Srei Finance Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65999WB2014PLC202301	Subsidiary	100	2(87)
12.	Srei Equipment Finance Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U70101WB2006PLC109898	Subsidiary	100	2(87)
13.	IIS International Infrastructure Services GmbH [Germany] Grandweg 142, 22529, Hamburg, Germany	Foreign Company	Associate	49.13	2(6)

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 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2182714		2182714	0.43	2182714		2182714	0.43	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	303685845		303685845	60.36	303685845		303685845	60.36	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	**305868559**		**305868559**	**60.80**	**305868559**		**305868559**	**60.80**	**-**
(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)	**305868559**		**305868559**	**60.80**	**305868559**		**305868559**	**60.80**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8173508	9100	8182608	1.63	-	-	-	-	(1.63)
b) Banks / FI	852275		852275	0.17	29484	-	29484	0.01	(0.16)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	64114891	180000	64294891	12.78	40884843	180000	41064843	8.16	(4.62)

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Alternate Investment Funds	189000	-	189000	0.04	-	-	-	-	(0.04)
Sub-total (B)(1)	**73329674**	**189100**	**73518774**	**14.61**	**40914327**	**180000**	**41094327**	**8.17**	**(6.44)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	19324641	68547	19393188	3.85	15194917	60366	15255283	3.03	(0.82)
ii) Overseas	18773160	1735717	20508877	4.08	18773160	1735717	20508877	4.08	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	32157579	760283	32917862	6.54	43614734	700992	44315726	8.81	2.27
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	39158351	10636	39168987	7.79	60476805	10636	60487441	12.02	4.23
c) Others (specify)									
NBFCs Registered with RBI	39114	-	39114	0.01	2400	-	2400	0.00	(0.01)
Non Resident Indians	8048604	15994	8064598	1.60	8749468	15994	8765462	1.74	0.14
Clearing Members	1104700	-	1104700	0.22	4232165	-	4232165	0.84	0.62
Trusts	2174672	-	2174672	0.43	2174672	-	2174672	0.43	-
IEPF	327002	-	327002	0.06	381421	-	381421	0.08	0.02
Sub-total (B)(2)	**121107823**	**2591177**	**123699000**	**24.59**	**153599742**	**2523705**	**156123447**	**31.03**	**6.44**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**194437497**	**2780277**	**197217774**	**39.20**	**194514069**	**2703705**	**197217774**	**39.20**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**500306056**	**2780277**	**503086333**	**100.00**	**500382628**	**2703705**	**503086333**	**100.00**	**-**

Note: Shareholding has been consolidated based on PAN of the shareholders.

II. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% 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.	Hemant Kanoria (Promoter)	380000	0.08	-	380000	0.08	-	-
2.	Sunil Kanoria	1802714	0.36	-	1802714	0.36	-	-
3.	Adisri Commercial Private Limited	303675845	60.36	-	303675845	60.36	-	-
4.	Bhavah Enterprise Private Limited	10000	0.00	-	10000	0.00	-	-

III. Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Hemant Kanoria (Promoter)**				
	At the beginning of the year	380000	0.08		
	Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			380000	0.08
2.	**Sunil Kanoria**				
	At the beginning of the year	1802714	0.36		
	Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			1802714	0.36
3.	**Adisri Commercial Private Limited**				
	At the beginning of the year	303675845	60.36		
	Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			303675845	60.36
4.	**Bhavah Enterprise Private Limited**				
	At the beginning of the year	10000	0.00		
	Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			10000	0.00

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 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund**				
	At the beginning of the year	34355610	6.83		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease Date Reason 24.05.2019 Sale 08.11.2019 Sale 15.11.2019 Sale 22.11.2019 Sale 29.11.2019 Sale 06.12.2019 Sale 13.12.2019 Sale	8069 2753784 1359000 1010242 1740000 895575 90000	0.00 0.55 0.27 0.20 0.35 0.18 0.02	34347541 31593757 30234757 29224515 27484515 26588940 26498940	6.83 6.28 6.01 5.81 5.46 5.29 5.27
	At the end of the year			26498940	5.27
2.	AADI Financial Advisors LLP#				
	At the beginning of the year	4884089	0.97		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease Date Reason 27.03.2020 Sale	4884089	0.97	-	-
	At the end of the year			-	-
3.	Blue Daimond Properties Private Limited@				
	At the beginning of the year	-	-		

Sl. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date / Reason				
	27.03.2020 Purchase	4934089	0.98	4934089	0.98
	At the end of the year			4934089	0.98
4.	Amal N Parikh**				
	At the beginning of the year	4720873	0.94		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date / Reason				
	17.05.2019 Sale	7659	0.00	4713214	0.94
	31.05.2019 Sale	150000	0.03	4563214	0.91
	13.09.2019 Sale	913214	0.18	3650000	0.73
	25.10.2019 Sale	200350	0.04	3449650	0.69
	01.11.2019 Sale	299650	0.06	3150000	0.63
	At the end of the year			3150000	0.63
5.	BNP Paribas Lease Group**				
	At the beginning of the year	18773160	3.73		
	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			18773160	3.73
6.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Funds#				
	At the beginning of the year	3494023	0.69		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date / Reason				
	27.09.2019 Sale	512722	0.10	2981301	0.59
	18.10.2019 Sale	47373	0.01	2933928	0.58
	25.10.2019 Sale	12677	0.00	2921251	0.58
	29.11.2019 Sale	14644	0.00	2906607	0.58
	27.12.2019 Sale	79199	0.02	2827408	0.56
	10.01.2020 Sale	120633	0.02	2706775	0.54
	06.03.2020 Sale	39933	0.01	2666842	0.53
	20.03.2020 Sale	44612	0.01	2622230	0.52
	27.03.2020 Sale	257861	0.05	2364369	0.47
	31.03.2020 Sale	130235	0.03	2234134	0.44
	At the end of the year			2234134	0.44
7.	SBI Magnum Taxgain Scheme#				
	At the beginning of the year	5409248	1.08		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date / Reason				
	13.09.2019 Sale	673066	0.13	4736182	0.94
	20.09.2019 Sale	604381	0.12	4131801	0.82
	27.09.2019 Sale	1284000	0.26	2847801	0.57
	30.09.2019 Sale	103000	0.02	2744801	0.55
	04.10.2019 Sale	574000	0.11	2170801	0.43
	11.10.2019 Sale	333081	0.07	1837720	0.37
	18.10.2019 Sale	1837720	0.37	-	-
	At the end of the year			-	-

Sl. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Vanguard Total International Stock Index Fund**				
	At the beginning of the year	4223729	0.84		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date Reason				
	26.04.2019 Sale	118179	0.02	4105550	0.82
	27.09.2019 Sale	602461	0.12	3503089	0.70
	18.10.2019 Sale	55665	0.01	3447424	0.69
	25.10.2019 Sale	14895	0.00	3432529	0.68
	29.11.2019 Sale	17207	0.00	3415322	0.68
	27.12.2019 Sale	93061	0.02	3322261	0.66
	10.01.2020 Sale	141746	0.03	3180515	0.63
	06.03.2020 Sale	46923	0.01	3133592	0.62
	20.03.2020 Sale	48369	0.01	3085223	0.61
	27.03.2020 Sale	303390	0.06	2781833	0.55
	31.03.2020 Sale	153230	0.03	2628603	0.52
	At the end of the year			2628603	0.52
9.	Deveshwari Negi**				
	At the beginning of the year	3324440	0.66		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date Reason				
	28.06.2019 Purchase	520000	0.10	3844440	0.76
	19.07.2019 Purchase	172560	0.03	4017000	0.80
	26.07.2019 Purchase	130000	0.03	4147000	0.82
	02.08.2019 Purchase	110000	0.02	4257000	0.85
	09.08.2019 Purchase	315000	0.06	4572000	0.91
	23.08.2019 Purchase	10000	0.00	4582000	0.91
	27.09.2019 Purchase	88400	0.02	4670400	0.93
	04.10.2019 Purchase	82440	0.02	4752840	0.94
	18.10.2019 Purchase	131000	0.03	4883840	0.97
	25.10.2019 Purchase	667000	0.13	5550840	1.10
	01.11.2019 Purchase	440000	0.09	5990840	1.19
	08.11.2019 Purchase	160000	0.03	6150840	1.22
	22.11.2019 Purchase	5560	0.00	6156400	1.22
	20.03.2020 Purchase	35000	0.01	6191400	1.23
	27.03.2020 Purchase	175000	0.03	6366400	1.27
	At the end of the year			6366400	1.27
10.	Government Pension Fund Global**				
	At the beginning of the year	6472202	1.29		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date Reason				
	05.04.2019 Sale	52602	0.01	6419600	1.28
	12.04.2019 Sale	73233	0.01	6346367	1.26
	19.04.2019 Sale	33888	0.01	6312479	1.25
	26.04.2019 Sale	41188	0.01	6271291	1.25
	03.05.2019 Sale	8308	0.00	6262983	1.24
	10.05.2019 Sale	45596	0.01	6217387	1.24
	17.05.2019 Sale	45931	0.01	6171456	1.23
	24.05.2019 Sale	115335	0.02	6056121	1.20
	31.05.2019 Sale	367563	0.07	5688558	1.13
	07.06.2019 Sale	233237	0.05	5455321	1.08
	14.06.2019 Sale	428893	0.09	5026428	1.00
	21.06.2019 Sale	605699	0.12	4420729	0.88
	28.06.2019 Sale	61839	0.01	4358890	0.87
	At the end of the year			4358890	0.87

Sl. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	Morgan Stanley France S.A.#				
	At the beginning of the year	2964677	0.59		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date Reason				
	03.05.2019 Sale	20000	0.00	2944677	0.59
	10.05.2019 Sale	140846	0.03	2803831	0.56
	05.07.2019 Sale	224708	0.04	2579123	0.51
	12.07.2019 Sale	620000	0.12	1959123	0.39
	06.03.2020 Sale	1306081	0.26	653042	0.13
	13.03.2020 Sale	653042	0.13	-	-
	At the end of the year			-	-
12.	Jaideep Sampat@				
	At the beginning of the year	3555605	0.71		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date Reason				
	05.04.2019 Purchase	428388	0.09	3983993	0.79
	12.04.2019 Purchase	250000	0.05	4233993	0.84
	03.05.2019 Purchase	1451053	0.29	5685046	1.13
	21.06.2019 Sale	100000	0.02	5585046	1.11
	28.06.2019 Purchase	460580	0.09	6045626	1.20
	05.07.2019 Purchase	200000	0.04	6245626	1.24
	12.07.2019 Sale	11877	0.00	6233749	1.24
	19.07.2019 Purchase	113352	0.02	6347101	1.26
	11.10.2019 Sale	50000	0.01	6297101	1.25
	18.10.2019 Sale	97397	0.02	6199704	1.23
	25.10.2019 Purchase	225000	0.04	6424704	1.28
	15.11.2019 Purchase	489517	0.10	6914221	1.37
	22.11.2019 Purchase	100000	0.02	7014221	1.39
	06.12.2019 Purchase	25000	0.00	7039221	1.40
	17.01.2020 Purchase	427820	0.09	7467041	1.48
	13.03.2020 Sale	806724	0.16	6660317	1.32
	20.03.2020 Sale	20745	0.00	6639572	1.32
	At the end of the year			6639572	1.32
13.	Bhanshali Manek HUF@				
	At the beginning of the year	2735365	0.54		
	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			2735365	0.54

Sl. No.	For Each of the Top 10 Shareholders*		Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14.	Nirmal Bang Securities Private Limited@					
	At the beginning of the year		215692	0.04		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease					
	Date	Reason				
	05.04.2019	Purchase	18130	0.00	233822	0.05
	05.04.2019	Sale	152250	0.03	81572	0.02
	12.04.2019	Purchase	553	0.00	82125	0.02
	12.04.2019	Sale	1203	0.00	80922	0.02
	19.04.2019	Purchase	1439	0.00	82361	0.02
	19.04.2019	Sale	207	0.00	82154	0.02
	26.04.2019	Purchase	2249	0.00	84403	0.02
	26.04.2019	Sale	805	0.00	83598	0.02
	03.05.2019	Purchase	25065	0.00	108663	0.02
	03.05.2019	Sale	25137	0.00	83526	0.02
	10.05.2019	Purchase	4417	0.00	87943	0.02
	10.05.2019	Sale	22056	0.00	65887	0.01
	17.05.2019	Purchase	40746	0.01	106633	0.02
	17.05.2019	Sale	100	0.00	106533	0.02
	24.05.2019	Purchase	515	0.00	107048	0.02
	24.05.2019	Sale	45070	0.01	61978	0.01
	31.05.2019	Purchase	6940	0.00	68918	0.01
	31.05.2019	Sale	2845	0.00	66073	0.01
	07.06.2019	Sale	4051	0.00	62022	0.01
	14.06.2019	Purchase	3763	0.00	65785	0.01
	14.06.2019	Sale	100	0.00	65685	0.01
	21.06.2019	Purchase	6821	0.00	72506	0.01
	21.06.2019	Sale	2100	0.00	70406	0.01
	28.06.2019	Purchase	1000	0.00	71406	0.01
	28.06.2019	Sale	9094	0.00	62312	0.01
	05.07.2019	Sale	5123	0.00	57189	0.01
	12.07.2019	Purchase	1000	0.00	58189	0.01
	12.07.2019	Sale	5996	0.00	52193	0.01
	19.07.2019	Purchase	2699	0.00	54892	0.01
	19.07.2019	Sale	6000	0.00	48892	0.01
	26.07.2019	Purchase	2070	0.00	50962	0.01
	02.08.2019	Purchase	8229	0.00	59191	0.01
	02.08.2019	Sale	625	0.00	58566	0.01
	09.08.2019	Purchase	12560	0.00	71126	0.01
	09.08.2019	Sale	4270	0.00	66856	0.01
	16.08.2019	Purchase	6370	0.00	73226	0.01
	16.08.2019	Sale	9969	0.00	63257	0.01
	23.08.2019	Sale	19712	0.00	43545	0.01
	30.08.2019	Sale	3756	0.00	39789	0.01
	06.09.2019	Sale	1122	0.00	38667	0.01
	13.09.2019	Purchase	5901	0.00	44568	0.01
	13.09.2019	Sale	2620	0.00	41948	0.01
	20.09.2019	Purchase	5363	0.00	47311	0.01
	20.09.2019	Sale	902	0.00	46409	0.01
	27.09.2019	Purchase	15619	0.00	62028	0.01
	27.09.2019	Sale	26613	0.01	35415	0.01
	30.09.2019	Purchase	4345	0.00	39760	0.01
	30.09.2019	Sale	35234	0.01	4526	0.00
	04.10.2019	Purchase	1260	0.00	5786	0.00
	04.10.2019	Sale	999	0.00	4787	0.00
	11.10.2019	Sale	2201	0.00	2586	0.00
	18.10.2019	Purchase	1947	0.00	4533	0.00
	25.10.2019	Purchase	100	0.00	4633	0.00
	25.10.2019	Sale	340	0.00	4293	0.00
	01.11.2019	Purchase	5590	0.00	9883	0.00
	08.11.2019	Purchase	5500	0.00	15383	0.00
	08.11.2019	Sale	3294	0.00	12089	0.00
	15.11.2019	Purchase	12950	0.00	25039	0.00
	15.11.2019	Sale	1402	0.00	23637	0.00
	22.11.2019	Purchase	330	0.00	23967	0.00
	22.11.2019	Sale	50	0.00	23917	0.00
	29.11.2019	Sale	1410	0.00	22507	0.00
	06.12.2019	Purchase	18351	0.00	40858	0.01
	13.12.2019	Purchase	1650	0.00	42508	0.01
	13.12.2019	Sale	65	0.00	42443	0.01
	20.12.2019	Purchase	4500	0.00	46943	0.01

Sl. No.	For Each of the Top 10 Shareholders*		Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	20.12.2019	Sale	1821	0.00	45122	0.01
	27.12.2019	Sale	2701	0.00	42421	0.01
	31.12.2019	Sale	14010	0.00	28411	0.01
	03.01.2020	Purchase	3285	0.00	31696	0.01
	10.01.2020	Purchase	36307	0.01	68003	0.01
	17.01.2020	Sale	6642	0.00	61361	0.01
	24.01.2020	Purchase	7215	0.00	68576	0.01
	24.01.2020	Sale	3394	0.00	65182	0.01
	31.01.2020	Purchase	34531	0.01	99713	0.02
	31.01.2020	Sale	5859	0.00	93854	0.02
	07.02.2020	Purchase	60794	0.01	154648	0.03
	07.02.2020	Sale	70915	0.01	83733	0.02
	14.02.2020	Purchase	84575	0.02	168308	0.03
	14.02.2020	Sale	54782	0.01	113526	0.02
	21.02.2020	Purchase	18512	0.00	132038	0.03
	28.02.2020	Sale	34827	0.01	97211	0.02
	06.03.2020	Purchase	11833	0.00	109044	0.02
	13.03.2020	Purchase	11268	0.00	120312	0.02
	13.03.2020	Sale	5568	0.00	114744	0.02
	20.03.2020	Purchase	975	0.00	115719	0.02
	20.03.2020	Sale	2000	0.00	113719	0.02
	27.03.2020	Sale	12483	0.00	101236	0.02
	31.03.2020	Purchase	2517957	0.50	2619193	0.52
	31.03.2020	Sale	17597	0.00	2601596	0.52
	At the end of the year				2601596	0.52

*The folios of top ten shareholders have been combined to give a fair representation of the total holding

**Common top 10 shareholders as on 01.04.2019 and 31.03.2020

#Top 10 shareholders only as on 01.04.2019

@Top 10 shareholders only as on 31.03.2020

Note: The date wise increase or decrease in shareholding of top ten shareholders is also available on the website of the Company at https://www.srei.com/pdf/Top-10-Shareholders-Date-wise-Movement-31.03.2020.pdf

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 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		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	380000	0.08		
	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			380000	0.08
2.	**Mr. Sunil Kanoria**				
	At the beginning of the year	1802714	0.36		
	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			1802714	0.36
3.	**Mr. Srinivasachari Rajagopal**				
	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 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	**Dr. (Mrs.) Punita Kumar Sinha**				
	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. Ram Krishna Agarwal**				
	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. Malay Mukherjee**				
	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.	**Dr. (Mrs.) Tamali Sengupta**				
	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	380000	0.08		
	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			380000	0.08
2.	**Mr. Rakesh Kumar Bhutoria - Chief Executive 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			-	-
3.	**Mr. Sandeep Lakhotia - Company Secretary**				
	At the beginning of the year	335993	0.07		
	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			335993	0.07
4.	**Mr. Sandeep Kumar Sultania – 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. Shashi Bhushan Tiwari – Chief Risk Officer***				
	At the beginning of the year	93435	0.02		
	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			93435	0.02

*Appointed w.e.f. May 20, 2020

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**	10,05,613	2,24,885	1	12,30,499
ii) Interest due but not paid***	328	-	-	328
iii) Interest accrued but not due	17,571	3,339	-	20,910
Total (i+ii+iii)	**10,23,512**	**2,28,224**	**1**	**12,51,737**
Change in Indebtedness during the financial year				
Addition				
Reduction#	(10,23,512)	(1,46,798)	(1)	(11,70,311)
Net Change	**(10,23,512)**	**(1,46,798)**	**(1)**	**(11,70,311)**
Indebtedness at the end of the financial year				
i) Principal Amount**	-	78,279	-	78,279
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	3,147	-	3,147
Total (i+ii+iii)	**-**	**81,426**	**-**	**81,426**

*Unclaimed Deposits

**Principal amount is based on contractual terms and does not include adjustment on account of effective interest rate for Rs. NIL (Previous Year Rs. 2,911 Lakhs) in accordance with IndAS 109.

***Represents amount not debited by Bank and / or unclaimed amount

#Pursuant to Slump Exchange

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	Name of MD/WTD/ Manager	Total Amount
		Mr. Hemant Kanoria	
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		2,10,00,000 (Refer Note 1)
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission* - as % of profit - others, specify		-
5.	Others, please specify (accruals) - Contribution to Provident Fund - LTA		 21,60,000 15,00,000
	Total (A)		**2,46,60,000**
	Ceiling as per the Act	168.80 Lacs** (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

*Mr. Hemant Kanoria, Chairman has voluntarily decided to forego the Commission entitlement for the Financial Year 2019-20, in view of present difficult environment for NBFCs and Covid-19 pandemic. Therefore, no Commission is payable to him for the year.

**Approval of the shareholders by a special resolution being sought at the ensuing 35th AGM of the Company for waiver of recovery of remuneration drawn by Mr. Hemant Kanoria in excess of the limit prescribed under Section 197 of the Companies Act, 2013.

Note 1: The amount mentioned in the table above does not include an amount of Rs. 27,00,000 pertaining to previous years, however, claimed during Financial Year 2019-20 towards LTA (Leave Travel Allowance) in terms of Agreement dated 27.07.2019 executed between the Chairman and the Company.

B. Remuneration to other Directors

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	Independent Directors	Mr. S. Rajagopal	Mr. Shyamalendu Chatterjee	Dr. (Mrs.) Punita Kumar Sinha	Mr. Ram Krishna Agarwal	Mr. Malay Mukherjee	Dr. (Mrs.) Tamali Sengupta	
	Fee for attending Board and Committee Meetings	7,45,000	10,70,000	6,25,000	7,10,000	8,00,000	5,25,000	44,75,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**7,45,000**	**10,70,000**	**6,25,000**	**7,10,000**	**8,00,000**	**5,25,000**	**44,75,000**

(Amount in Rs.)

Sl No.	Particulars of Remuneration	Name of Directors		Total Amount
2.	**Other Non-Executive Directors**	**Mr. Sunil Kanoria**	**Mr. Balaji Viswanathan Swaminathan***	
	Fee for attending Board and Committee Meetings	10,50,000	4,30,000	14,80,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	**10,50,000**	**4,30,000**	**14,80,000**
	Total (B)=(1+2)	**59,55,000**		
	Total Managerial Remuneration**	**2,46,60,000**		
	Overall Ceiling as per the Act	371.36 Lacs (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

*Resigned w.e.f. November 14, 2019

**Total Managerial Remuneration to Whole-time Director and other Directors (exclusive of sitting fees)

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		Chief Strategy Officer	CFO	CS	CEO	Chief Risk Officer	
		Mr. Sanjeev Sancheti*	Mr. Sandeep Kumar Sultania	Mr. Sandeep Lakhotia	Mr. Rakesh Kumar Bhutoria	Mr. S. B. Tiwari**	
1.	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	17,84,190	72,55,431	98,43,974	2,96,31,073	-	4,85,14,668
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	5,400	32,400	32,400	32,400	-	1,02,600
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as a % of Profit - others, specify	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	47,85,484#	47,85,484
	Total (C)	**17,89,590**	**72,87,831**	**98,76,374**	**2,96,63,473**	**47,85,484**	**5,34,02,752**

*Ceased to be KMP w.e.f. May 20, 2019

**Designated as Additional KMP w.e.f. May 20, 2019

#Consultancy Fees

Note: The remuneration details in the above table are on payment basis as per the Income Tax Act, 1961 and not on accrual basis as disclosed elsewhere in the Annual Report.

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				Office of the Regional Director (RD) (Eastern Region), Ministry of Corporate Affairs (MCA)	-
Penalty	-	-	-		
Punishment	-	-	-		
Compounding	92(3)	Compounding of alleged offences as stated in show cause notice issued by the Registrar of Companies, West Bengal	Rs. 10,000/-		
B. DIRECTORS					
Mr. Hemant Kanoria (Chairman)					
Penalty	-	-	-		
Punishment	-	-	-		
Compounding	92(3), 129, 129 read with 134 read with 129(7), 129 read with Accounting Standard 17 and 129 read with Accounting Standard 18	Compounding of alleged offences as stated in show cause notice issued by the Registrar of Companies, West Bengal	Rs. 7,10,000/-		
C. OTHER OFFICERS IN DEFAULT					
Mr. Sandeep Kumar Lakhotia (Company Secretary)					
Penalty	-	-	-		
Punishment	-	-	-		
Compounding	92(3)	Compounding of alleged offences as stated in show cause notice issued by the Registrar of Companies, West Bengal	Rs. 10,000/-		
Mr. Kishore Kumar Lodha (Ex-CFO-KMP)					
Penalty	-	-	-		
Punishment	-	-	-		
Compounding	92(3), 129, 129 read with 134 read with 129(7), 129 read with Accounting Standard 17 and 129 read with Accounting Standard 18	Compounding of alleged offences as stated in show cause notice issued by the Registrar of Companies, West Bengal	Rs. 7,10,000/-		

*Includes Fees compounded for Financial Years 2014-15 till 2017-18 except for compounding under Section 129 read with Accounting Standard 18 which covers fees for Financial Year 2016-17 and 2017-18.

Note: The Company has received reimbursement for the compounding fees under the Directors' and Officers' Liability Insurance Policy.

For and on behalf of Board of Directors

Sd/-

Hemant Kanoria

Place: Kolkata
Chairman

Date: July 28, 2020
DIN: 00193015

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:

Name of the Directors	Remuneration* (Rs.)	Median Remuneration of employees (Rs.)	Ratio (In times)
Mr. Hemant Kanoria	24,660,000	7,19,802	34.26
Mr. Sunil Kanoria	10,50,000		1.46
Mr. Srinivasachari Rajagopal	7,45,000		1.04
Mr. Shyamalendu Chatterjee	10,70,000		1.49
Dr. (Mrs.) Punita Kumar Sinha	6,25,000		0.87
Mr. Malay Mukherjee	8,00,000		1.11
Mr. R. K. Agarwal	7,10,000		0.99
Dr. (Mrs.) Tamali Sengupta	5,25,000		0.73
Mr. Balaji Viswanathan Swaminathan**	4,30,000		0.60

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

**Resigned w.e.f. 14th November, 2019

Notes:

(a) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% of the net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto. However, no commission is payable to Non Executive Directors for the financial year 2019-20.

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.)	%ge Increase/ Decrease
1.	Mr. Hemant Kanoria	Chairman	2,46,60,000	2,46,60,000	-
2.	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director)	18,75,000	10,50,000	(44.00)
3.	Mr. Srinivasachari Rajagopal	Independent Director	16,50,000	7,45,000	(54.85)
4.	Mr. Shyamalendu Chatterjee		21,40,000	10,70,000	(50.00)
5.	Dr. (Mrs.) Punita Kumar Sinha		15,50,000	6,25,000	(59.68)
6.	Mr. Malay Mukherjee		15,65,000	8,00,000	(48.88)
7.	Mr. R. K. Agarwal		15,20,000	7,10,000	(53.29)
8.	Dr. (Mrs.) Tamali Sengupta		1,25,000	5,25,000	Refer Note (b)
9.	Mr. Balaji Viswanathan Swaminathan**	Non-Executive Director	3,50,000	4,30,000	Refer Note (c)
10.	Mr. Rakesh Kumar Bhutoria	Chief Executive Officer	1,59,02,206	3,11,75,768	Refer Note (d)
11.	Mr. Sandeep Lakhotia	Company Secretary	95,13,507	94,39,320	(0.78)
12.	Mr. Sandeep Kumar Sultania	Chief Financial Officer	67,42,233	79,12,200	Refer Note (e)

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

**Resigned w.e.f. 14th November, 2019

Notes:

(a) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% of the Net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto. However, no commission is payable to the Non Executive Directors for financial year 2019-20.

(b) Dr. (Mrs.) Tamali Sengupta was in office only for part of the previous year (appointed w.e.f. 4th February, 2019) and hence the percentage of increase of remuneration in her case is not comparable with that of the previous year.

(c) Mr. Balaji Viswanathan Swaminathan was in office only for part of the current Financial Year (resigned w.e.f. 14th November, 2019), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

(d) Mr. Rakesh Kumar Bhutoria was in office only for part of the previous year (appointed w.e.f. 16th November, 2018), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

(e) Mr. Sandeep Kumar Sultania was in office only for part of the previous year (appointed w.e.f. 5th July, 2018), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

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/decrease
12,21,616	7,19,802	(41.08)

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

There were 43 (forty three) employees as on 31st March, 2020 as against 124 (one hundred and twenty four) 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 / decrease*
1.	Increase in salary of Managerial Personnel	(5)
2.	Increase in salary of employee (other than Managerial Personnel)	6

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

During the year, a large number of employees of the Company were transferred to Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of the Company consequent to completion of Slump Exchange transaction.

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/-

Hemant Kanoria

Place: Kolkata
Chairman

Date: July 28, 2020
DIN: 00193015

Particulars of Employees

Pursuant to Section 197(12) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2020

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	Experience in years	Age in years	Date of Commencement of Employment	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1	Hemant Kanoria	Chairman	2,46,60,000	B. Com (Hons.)	40	57	07.05.1994	None	0.08
2	Rakesh Kumar Bhutoria	Chief Executive Officer	3,11,75,768	B.E. (Hons), MMS	30	53	16.11.2018	IDFC Bank Ltd. - Group EVP & Head - Commercial Banking & Strategic Initiatives	NIL
3	Shishir Jain	Head-Financial Solution Group	1,57,71,115	BE, MBA	25	47	23.02.2017	CX Advisors LLP – Managing Director	NIL
4	Anil Ladha	Chief-Corporate Finance	95,71,610	BE, MBA, CFA	28	51	01.08.2017	Reliance Communications Ltd. - Senior VP & Head - Investors Relations	NIL
5	Ganesh Prasad Bagree	Senior Vice President	95,17,912	B. Com (Hons), CA	26	50	19.06.2008	ICICI - West Bengal Infrastructure Development Corporation Ltd. (ICICI - WINFRA)-Assistant General Manager	Negligible
6	Sandeep Lakhotia	Company Secretary	94,39,320	FCA, FCS	22	45	26.06.2000	None	0.07
7	Sandeep Kumar Sultania	Chief Financial Officer	79,12,200	M.Com, MBF, FCA, ACS, ACMA, DISA (ICAI)	23	46	05.07.2018	Manaksia Industries Ltd.-Chief Financial Officer	NIL
8	Vinod Kumar Dubey	Head-Direct Tax	66,30, 604	B. Com (H), FCA, ACS	32	54	16.01.2014	Balrampur Chini Mills Ltd. – Senior General Manager (Taxation)	Negligible
9	Murli Manohar Khemka*	Executive President	65,69,606	BSc, MMS (Finance), MBA	27	46	02.07.2008	Self Employed	NIL
10	Dhruv Bhalla	Senior Vice President	40,84,441	M. Sc	20	40	07.03.2011	Department of Foreign Affairs and International Trade, Government of Canada - Trade Commissioner	NIL
11	Souren Mukhopadhyay	Chief Operating Officer	44,75,789	BE, CAIIB, PGDFA	35	57	07.02.2011	IDBI Bank Ltd. - DGM	Negligible
12	Sanjeev Sancheti*	Chief Strategy Officer	44,54,755	B.Com (Hons.), ACA, AICWA	29	52	14.11.2007	Tebma Shipyards Limited - CFO	Negligible

*Employed for part of the financial year.

Notes:

(a) Remuneration includes Basic Salary, House Rent Allowance (HRA), Special Allowance, Super Annuation Allowance, Commission, Ex-gratia, Leave Travel Allowance (LTA), Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to National Pension Scheme (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 (Non-Executive Director & Vice Chairman)

For and on behalf of of Board of Directors
Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place : Kolkata
Date : July 28, 2020

CEO & CFO CERTIFICATION

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

The Board of Directors
Srei Infrastructure Finance Limited
'Vishwakarma'
86C, Topsia Road (South)
Kolkata – 700 046

July 28, 2020

We, Hemant Kanoria, Chairman, Rakesh Kumar Bhutoria, Chief Executive Officer (CEO) and Sandeep Kumar Sultania, Chief Financial Officer (CFO) of Srei Infrastructure Finance Limited,hereby certify to the Board of Directors that we have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended on 31st March, 2020 and to the best of our knowledge and belief, declare that –

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

Sd/-	Sd/-	Sd/-
Hemant Kanoria	**Rakesh Kumar Bhutoria**	**Sandeep Kumar Sultania**
Chairman	Chief Executive Officer (CEO)	Chief Financial Officer (CFO)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
Srei Infrastructure Finance Limited

We have examined the compliance of conditions of Corporate Governance by Srei Infrastructure Finance Limited ("the Company") for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For **Makarand M. Joshi & Co.**
Sd/-
Kumudini Bhalerao
Partner
Peer Review No :P2009MH007000
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: June 02, 2020

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

The Company is in compliance with the Corporate Governance Code as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"). Details of compliances pursuant to the Listing Regulations for the year ended March 31, 2020 are provided below:

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance

Srei's primary objectives as well as goals are transparency, accountability and integrity. In order to enhance stakeholder's value, the Company ensures optimum utilisation of its available resources in most ethical manner. The Company has endeavoured to benchmark itself against global standards in all areas, including Corporate Governance. The Company enhances value for its stakeholders by focusing on growth and profitability, managing risks and contributing to the society.

2. Board of Directors

- **Composition**

As on March 31, 2020, the Board comprised of 8 (Eight) Directors with an optimal combination of Executive, Non-Executive and Independent Directors, including Women Directors. 1 (One) Director is Non-Executive Director being Vice Chairman, 1 (One) Director is Executive Director (Chairman) and 6 (Six) Directors are Independent Directors involving 2 (Two) Independent Women Directors. Majority of the Board is comprised of Independent Directors. The Board's actions and decisions are aligned with best interests of the Company.

The Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. The Company has framed a Policy on Board Diversity which sets out the approach to diversity on the Board of Directors of the Company. The said Policy is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf.

During the year, a majority of the Board comprised of Independent Directors. Independent Directors play a crucial role in imparting balance to the Board processes by bringing independent judgement on issues of strategy, performance, resources, technology, finance, standards of the Company, conduct, etc.

None of the Directors on the Board serve as a Director in more than 8 (Eight) listed entities. Further, none of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed entities across all entities in which he/she is a Director. Further, none of the Director on the Board who is serving as a whole time Director / Managing Director in any listed entity is serving as an Independent Director of more than 3 (Three) listed entities across all entities in which he/she is a Director. The Company does not have any alternate Director on its Board for any Independent Director in accordance with Regulation 25(1) of SEBI Listing Regulations, 2015. The count for the number of listed entities on which a person is a Director / Independent Director shall be only those whose equity shares are listed on a stock exchange as per Regulation 17A of SEBI Listing Regulations, 2015. Further, in compliance with Regulation 26 of SEBI Listing Regulations, 2015, none of the Directors on the Board is a member of more than 10 (Ten) committees or Chairman of more than 5 (Five) committees across all public limited companies (whether listed or not) in which he/she is a Director. For assessment of these criteria, the membership/chairmanship of the Audit Committee and the Stakeholders Relationship Committee alone has been considered. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies at the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other listed entities / public limited companies (whether listed or not) in accordance with SEBI Listing Regulations, 2015 and the Companies Act, 2013.

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

Further, relevant declarations and undertakings have been obtained from the Directors pursuant to the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016. The Company has also executed a Deed of Covenant individually with all the Directors in accordance with the said RBI Directions. The Deed of Covenant lays down acknowledgement by the Director that his/her appointment as Director on the Board of the Company is subject to applicable laws and regulations including Memorandum and Articles of Association of the Company and the provisions of the Deed of Covenant. The Deed of Covenant also inter alia lays down the duties of the Director as well as disclosures to be made by the Company to the Directors etc.

The Company has in place a Directors' and Officers' Liability Insurance Policy for an amount of Rs. 50,00,00,000/- (Rupees Fifty Crores only) in order to safeguard and protect the interests of the Directors and Executives from any contingent liabilities. The said Policy is renewed annually.

The Composition of the Board of Directors as on March 31, 2020 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015. The details of the Board of Directors as on March 31, 2020 are as under:

Sl. No.	Directors	DIN	Category
1.	Mr. Hemant Kanoria* (Chairman)	00193015	Executive (Promoter)
2.	Mr. Sunil Kanoria (Vice Chairman)	00421564	Non Executive
3.	Mr. Srinivasachari Rajagopal	00022609	Independent
4.	Mr. Shyamalendu Chatterjee	00048249	Independent
5.	Dr. (Mrs.) Punita Kumar Sinha	05229262	Independent
6.	Mr. Ram Krishna Agarwal	00416964	Independent
7.	Mr. Malay Mukherjee	02272425	Independent
8.	Dr. (Mrs.) Tamali Sengupta	00358658	Independent

*Appointed as Chairman for a period of 5 (five) years with effect from April 01, 2019 till March 31, 2024

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

Shareholding of Directors & Key Managerial Personnel (KMPs)

Mr. Hemant Kanoria (Promoter) and Mr. Sunil Kanoria hold 3,80,000 and 18,02,714 Equity shares in the Company, respectively, as on March 31, 2020. None of the other Directors hold any Equity shares in the Company.

As on March 31, 2020, Mr. Hemant Kanoria, Chairman, Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO), Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO), Mr. Sandeep Lakhotia, Company Secretary and Mr. Shashi Bhushan Tiwari, Chief Risk Officer of the Company are the Whole-time Key Managerial Personnel (KMPs) of the Company in accordance with Section 2(51) read with Section 203 of the Companies Act, 2013. Mr. Hemant Kanoria, Mr. Sandeep Lakhotia and Mr. Shashi Bhushan Tiwari hold 3,80,000, 3,35,993 and 93,435 Equity shares in the Company, respectively, as on March 31, 2020.

Appointment of Directors

The Board has formulated the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The said Policy inter alia outlines the appointment criteria and qualifications, the term / tenure of the Directors on the Board of the Company and the matters related to their remuneration. The said Policy was last revised on November 11, 2019. The Nomination and Remuneration Policy is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf.

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

Succession Policy

The Company recognises the importance of effective executive leadership to its success and has initiated requisite steps to put in place a Succession Plan for appointments to the Board and to the Senior Management. The Nomination and Remuneration Committee of the Company is entrusted with the responsibility to oversee succession planning for the Board and the Senior Management.

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the statute.

Executive Directors are appointed by the shareholders for a maximum period of 5 (Five) years at a time, but are eligible for re-appointment upon completion of their term.

Independent Directors are also appointed by the shareholders for a maximum period of 5 (Five) years at a time, but are eligible for re-appointment upon completion of their term. No independent director shall hold office for more than two consecutive terms of 5 (Five) years unless a cooling off period of 3 (Three) years elapses.

Non-Independent Non-Executive Directors do not have any term, but retire by rotation as per the law.

Responsibilities

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.

The Whole time Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.

- **Independent Directors (IDs)**

As on March 31, 2020, the Company has 6 (Six) Independent Directors on its Board out of the total strength of 8 (Eight) Directors. None of the Independent Directors have resigned from the Board before the expiry of his/her tenure during the Financial Year 2019-20.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, 2015. All requisite declarations were placed before the Board. In the opinion of the Board, all the existing Independent Directors of the Company, fulfill the conditions specified in SEBI Listing Regulations, 2015 and are independent of the management.

Meeting of Independent Directors (IDs)

The Independent Directors (IDs) met on May 20, 2019 without the presence of Non-Independent Directors and the Management Team. The meetings were attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The IDs also evaluated the performance of Chairperson, Non-Independent Directors and the Board as a whole.

Familiarisation Programme for IDs

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

1 (One) such specific familiarisation programme was conducted on May 20, 2019. As a part of the programme, Presentation on SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 was circulated to the Independent Directors and was also deliberated upon.

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

In addition to the above, the Directors are continuously encouraged to participate in various external training sessions to ensure that the Board members are kept up to date.

At the time of appointment, a new Director is welcomed to the Board of Directors of the Company by sharing an Induction Kit containing inter-alia the Organization Chart, brief profile of all Directors and Key Managerial Personnel (KMPs), Policy Compendium, Investor Presentation, Investor call transcripts amongst others.

Further, the management of the Company makes various presentations to the Independent Directors on an ongoing basis which inter-alia includes Company overview, various business verticals, latest key business highlights, financial statements, evolution as well as business model of the various business of the Company, as part of the familiarisation programme for Independent Directors.

Significant Statutory updates are circulated on a quarterly basis as a part of the agenda of the Board Meetings through which Directors are made aware of the significant new developments and highlights from various regulatory authorities viz. Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), etc.

The Company Secretary also regularly apprises the Board about their roles, rights and responsibilities in the Company from time to time as per the requirements of SEBI Listing Regulations, 2015, Companies Act, 2013 read together with the Rules and Schedules thereunder and the RBI Directions.

The Board has open channels of communication with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications and other related information. Directors are also informed of the various developments in the Company through e-mails, newsletters, internal magazines, etc. The same is made available on their I-Pads as well.

As a part of e-initiatives adopted by the Company, latest news and events including regulatory alerts are made available through, a smartphone knowledge application "Srei Chanakyaa". This app also serves as a means to enhance compliance awareness and contains detailed do's and don'ts, FAQ's for Insider Trading, presentations on SEBI Listing Regulations, 2015, NBFC Compliance Dashboard & other relevant matters.

The details of familiarisation programmes imparted to Independent Directors, as required under Regulation 46 of SEBI Listing Regulations, 2015, are available on the Company's website at https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf.

Performance Evaluation

The Nomination and Remuneration Committee (NRC) of the Company has formulated and laid down the criteria and manner for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors, Chairman and Non-Independent Non-Executive Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015, covering inter-alia the following parameters namely:

i) For Board Evaluation - degree of fulfillment of key responsibilities; Board culture and dynamics, amongst others.

ii) Board Committee Evaluation - effectiveness of meetings; Committee dynamics, amongst others.

iii) Individual Director Evaluation (including Chairman, Independent Directors and Non-Independent Non-Executive Directors) – Attendance, Contribution at Board Meetings, Guidance/support to management outside Board/Committee meetings, etc.

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

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 and Corporate Social Responsibility Committee and Individual Directors (including Chairman, Independent Directors and Non-Independent Non-Executive Directors). This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and above 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 and 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 2019-20 on the broad parameters as laid down by the NRC.

As an outcome of the above exercise, the performance of the Board as a whole, various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Chairman, Independent Directors and Non-Independent Non-Executive Directors) was found to be satisfactory. It was also noted that besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees. It was also noted that given the changing external environment, there is need for better allocation of time for strategy reviews, periodic refreshers for the Board on key strategic thrusts.

During the year under review, the Independent Directors of the Company reviewed the performance of Non-Independent Directors, the Board as a whole and of the Chairperson of the Company, taking into account the views of Non-Executive Director.

Further, the Independent Directors hold unanimous opinion that the Non-Independent Director 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 the Company.

The Board as a whole is an integrated, balanced and cohesive unit which is well engaged with different perspectives and where diverse views are expressed and deliberated 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 the Company's Management and the Board is complete, timely with good quality and sufficient quantity.

Key skills/expertise/competence of the Board of Directors

The Board of Directors of the Company comprises qualified members who bring in the required skills, expertise, and competence to allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensuring that the Board is in well compliance with the highest standards of corporate governance.

In terms of SEBI Listing Regulations, 2015, the Company identified the following list of core skills/expertise/competencies as is required in the context of the Company's business(es) and sector(s) for it to function effectively and those which are actually available with the Board:

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

Further, in the table below, the specific areas of skills/expertise/competencies of individual Board members have been highlighted.

Name of Director	Skills/Expertise/Competencies						
	Behavioral	Financial	Diversity	Industry	Technology	Strategic Expertise	Board service and governance
Mr. Hemant Kanoria	√	√	√	√	-	√	√
Mr. Sunil Kanoria	√	√	√	√	-	√	√
Mr. Srinivasachari Rajagopal	√	√	√	√	√	√	√
Mr. Shyamalendu Chatterjee	√	√	-	√	-	√	√
Dr. (Mrs.) Punita Kumar Sinha	√	√	√	-	-	√	√
Mr. Ram Krishna Agarwal	√	√	-	-	-	√	√
Mr. Malay Mukherjee	√	√	-	√	√	-	√
Dr. (Mrs.) Tamali Sengupta	√	√	√	√	-	√	√

- **Meetings**

5 (Five) Board meetings were held during the year 2019-20 on May 20, 2019 (thereafter adjourned and completed on May 25, 2019), July 04, 2019, August 07, 2019, November 11, 2019 and February 14, 2020. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Further, 2 (two) circular resolutions were passed by the Board of Directors of the Company on August 16, 2019 and December 02, 2019.

The tentative annual calendar of the Board meetings for the forthcoming year are decided well in advance and published as part of the Annual Report.

The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Meetings are governed by structured agenda and all major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company effectively uses video conferencing facility, whenever necessary, to enable the participation of Directors who could not attend the same due to exigencies. Every Board Member is free to suggest items for inclusion in the Agenda.

Further, in compliance with the Secretarial Standard – 1 on 'Meetings of the Board of Directors' (SS-1) issued by The Institute of Company Secretaries of India (ICSI), any item not included in the Agenda is taken up for consideration before the Board with the permission of the Chairman and with the consent of majority of Directors present in the meeting.

The Directors have instant access to important information on their respective I-Pads, through 'Diligent Boards' (Diligent) application an International product for Board I-pads which gives the Directors instant access to important information on their respective I-Pads, allows log in through highly secured means, enables secured data on the device, enables the Directors to make private notes and comments ahead of the meeting, enables easy browsing and accessing of documents on online and offline mode; amongst many other advanced features.

In order to assist the Board Members and Senior Management to keep pace with the ever-changing laws and to apply them prudently in their respective area of activities, a Regulatory Landscape Handbook containing the regulatory changes carried out by the various Regulators is circulated on monthly, half yearly and annual basis. Important regulatory alerts are circulated on a real-time basis through a mobile application 'Srei Chanakyaa' which can be downloaded on Android and iOS devices. This application also serves as a means to create awareness pertaining to insider trading as it contains the detailed list of compliances under Srei Insider Code, FAQ's on Insider Trading and do's and don'ts for insider trading. Also, a Compliance Dashboard encompassing various compliances which are required to be adhered to by the Company being a Non-Banking Financial Institution (NBFC) is circulated to the Board Members and Senior Management to ensure that all applicable laws for the Company as a NBFC are being complied with. Power point presentations, notes, impact analysis, compliance status checklist are shared from time to time on various rules, regulations and guidelines issued by various regulators with the Directors and Senior Management. A comprehensive Booklet on various Codes and Policies of the Company was compiled during the year under review and circulated as a ready reckoner to all the Directors and Senior Management of the Company.

As a measure to consolidate all the Corporate Governance practices of the Company at one place, a Corporate Governance Manual (CG Manual) has been adopted by the Board of Directors of the Company. The CG Manual is a consolidation of key aspects from various polices set out by the Company as required by the Companies Act, 2013, SEBI Listing Regulations, 2015 and Corporate Governance Directions issued by the Reserve Bank of India (RBI) and also sets out various practices followed by the Company at different levels, especially the Board of Directors of the Company, which vindicates the Company's principles of integrity, ethics, fairness and accountability. The said CG Manual was last reviewed and updated as on September 30, 2019 and the same was adopted by the Board of Directors at their meeting held on November 11, 2019.

The information as specified in Part A of Schedule II read with Regulation 17(7) of SEBI Listing Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The important decisions taken at the Board/Committee(s) meetings are promptly communicated to the concerned departments/ executives. The Company Secretary and / or Secretary to Committee records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to the Board/Committee members within 15 (Fifteen) days from the date of conclusion of the meeting for their comments and the minutes are entered in the Minutes Book within 30 (Thirty) days from the date of conclusion of the meeting in compliance with Secretarial Standard – 1 on 'Meetings of Board of Directors' (SS-1) issued by The Institute of Company Secretaries of India (ICSI). Action Taken Report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee(s) for information and review by the Board/Committee(s).

- **Attendance of each Director at Board meetings held during the year 2019-20 and at the last Annual General Meeting (AGM)**

Directors	No. of Board meetings during the tenure of the Director		Attendance at the last AGM held on July 27, 2019
	Held	Attended	
Mr. Hemant Kanoria*	5	5	Yes
Mr. Sunil Kanoria	5	5	Yes
Mr. Srinivasachari Rajagopal	5	5	Yes
Mr. Shyamalendu Chatterjee	5	5	Yes
Dr. (Mrs.) Punita Kumar Sinha	5	5	Yes
Mr. Ram Krishna Agarwal	5	5	Yes
Mr. Malay Mukherjee	5	5	Yes
Mr. Balaji Viswanathan Swaminathan**	4	3	Yes
Dr. (Mrs.) Tamali Sengupta	5	5	Yes

*Appointed as Chairman for a period of 5 (five) years with effect from April 01, 2019 till March 31, 2024

**Resigned w.e.f. November 14, 2019

- **Number of other Companies or Committees in which the Director is a Director or Member/ Chairman**

The following table gives the number of outside directorships and the Committee positions held by each of the Directors as on March 31, 2020 –

Directors	No. of Directorship in other Companies (other than Srei Infrastructure Finance Limited)		No. of Committee positions held in Indian Public Limited Companies (other than Srei Infrastructure Finance Limited)###	
	Indian Public Limited Companies#	Others##	Chairman	Member
Mr. Hemant Kanoria*	1	-	-	-
Mr. Sunil Kanoria	1	-	-	2
Mr. Srinivasachari Rajagopal	7	3	-	5
Mr. Shyamalendu Chatterjee	2	-	-	1
Dr. (Mrs.) Punita Kumar Sinha	6	1	2	8
Mr. Ram Krishna Agarwal	4	1	2	5
Mr. Malay Mukherjee	2	1	-	-
Dr. (Mrs.) Tamali Sengupta	3	2	1	3

*Appointed as Chairman for a period of 5 (five) years with effect from April 01, 2019 till March 31, 2024

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

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

###Includes only Audit Committee and Stakeholders Relationship Committee of Indian public limited companies, whether listed or not

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

Directors	Name of Indian Listed entities (equity) where the Director is a director (other than Srei Infrastructure Finance Limited)*	Category of Directorship
Mr. Hemant Kanoria	-	-
Mr. Sunil Kanoria	-	-
Mr. Srinivasachari Rajagopal	1. GMR Infrastructure Limited	Independent
Mr. Shyamalendu Chatterjee	1. Emami Paper Mills Limited	Independent
Dr. (Mrs.) Punita Kumar Sinha	1. JSW Steel Limited 2. Rallis India Limited 3. Infosys Limited	Independent Independent Independent
Mr. Ram Krishna Agarwal	1. Electro Steel Castings Limited 2. Cigniti Technologies Limited	Independent Independent
Mr. Malay Mukherjee	1. Dilip Buildcon Limited	Independent
Dr. (Mrs.) Tamali Sengupta	1. HFCL Limited	Independent

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

- **Board Committees**

The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company.

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by Members of the Board, as a part of good Corporate Governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has various Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Committee of Directors, Risk Committee, Credit Committee, Investment Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Business Responsibility Committee, IT Strategy Committee and Governance Committee as on March 31, 2020 in addition to few internal Committees. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval, as the case may be. Further, minutes of proceedings of the Committees are circulated to the Members and are placed before the Board for noting thereat. Further, during the year, the Board of Directors of the Company has accepted all recommendations received from its Board Committees.

The Terms of Reference for various Committees including their roles and powers is in accordance with the relevant provisions of Companies Act, 2013, SEBI Listing Regulations, 2015 and other applicable rules and regulations issued by the concerned Regulators from time to time.

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

3. Remuneration of Directors

- **Details of remuneration paid/payable to Directors for the year ended March 31, 2020 are as follows:**

(Amount in Rs.)

Directors	Sitting Fees[1]	Salary & Perquisites[2]	Commission[3]	Total
Mr. Hemant Kanoria* (Chairman)	-	2,46,60,000	-	2,46,60,000
Mr. Sunil Kanoria (Vice Chairman)	10,50,000	-	-	10,50,000
Mr. Srinivasachari Rajagopal	7,45,000	-	-	7,45,000
Mr. Shyamalendu Chatterjee	10,70,000	-	-	10,70,000
Dr. (Mrs.) Punita Kumar Sinha	6,25,000	-	-	6,25,000
Mr. Ram Krishna Agarwal	7,10,000	-	-	7,10,000

Directors	Sitting Fees[1]	Salary & Perquisites[2]	Commission[3]	Total
Mr. Malay Mukherjee	8,00,000	-	-	8,00,000
Mr. Balaji Viswanathan Swaminathan**	4,30,000	-	-	4,30,000
Dr. (Mrs.) Tamali Sengupta	5,25,000	-	-	5,25,000

*Appointed as Chairman for a period of 5 (five) years with effect from April 01, 2019 till March 31, 2024

**Resigned w.e.f. November 14, 2019

[1]includes sitting fees paid to Non-Executive Directors for various Board and Committee meetings

[2]includes basic salary, incentives, allowances, contribution to provident fund, leave encashment and other perquisites

[3]Mr. Hemant Kanoria, Chairman has voluntarily decided to forego the Commission entitlement for the Financial Year 2019-20, in view of present difficult environment for NBFCs and Covid-19 pandemic. Therefore, no commission is payable to him for the year. Further, no commission is payable to Non Executive Directors for the financial year 2019-20.

- The appointment of Whole time Director is governed by resolution passed by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company, which covers the terms and conditions of such appointment including remuneration. Further, payment of remuneration to Whole time Director is also governed by the agreement executed between him and the Company, and approval of Shareholders, wherever applicable. The tenure of office of Mr. Hemant Kanoria is for 5 (Five) years effective from April 01, 2019 and can be terminated by giving 3 (Three) month's notice in writing. There is no separate provision for payment of severance fees. Mr. Hemant Kanoria is presently liable to retirement by rotation.

  Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of the Company, are also the Chairman and Vice Chairman (Executive), respectively, of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company and are in receipt of remuneration for the Financial Year 2019-20 from SEFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)
Mr. Hemant Kanoria	497.20
Mr. Sunil Kanoria	497.86

  Further, Mr. Shyamalendu Chatterjee, Independent Director of the Company is also a Non – Executive Director (Chairman) of Srei Capital Markets Limited and Dr. (Mrs.) Tamali Sengupta, Independent Director of the Company is also an Independent Director of Srei Equipment Finance Limited, both wholly owned subsidiaries of the Company. Both Mr. Chatterjee and Dr. (Mrs.) Sengupta are in receipt of sitting fees from the respective subsidiary companies in which they are Directors.

  Further, during the Financial Year 2019-20, Mr. Shyamalendu Chatterjee was also an Independent Director of SEFL and was in receipt of sitting fees of Rs. 2.45 Lacs from SEFL. Mr. Chatterjee thereafter resigned as an Independent Director of SEFL w.e.f. May 17, 2019.

  Apart from the above, Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Shyamalendu Chatterjee and Dr. (Mrs.) Tamali Sengupta have not received any remuneration or commission from any of the Company's subsidiaries or holding company for the Financial Year 2019-20.

  The remuneration of Executive Director is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis key result areas, industry benchmark and current compensation trends in the market.

- The Non-Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board or any Committee thereof attended by them and reimbursement of out-of-pocket expenses incurred, wherever applicable, for attending such meetings. The sitting fees as determined by the Board are presently Rs. 1,00,000/- for attending each meeting of the Board, Rs. 25,000/- for attending each meeting of the Audit Committee, Investment Committee, Risk Committee and Separate Meeting of Independent Directors and Rs. 10,000/- for attending each meeting of other Committees. The aforesaid payment is well within the limits prescribed under the Companies Act, 2013 and rules made therein.

  Further, the Members of the Company at their meeting held on July 27, 2019 approved payment of commission to Non-Executive Directors of the Company annually for each of the 5 (Five) financial years of the Company commencing from Financial Year 2019-20, an amount not exceeding 1 (One) percent of the net profits of the Company payable in one financial year, to be divided amongst Non-Executive Directors in such amounts or proportions and in such manner as may be determined by the Board from time to time and in default of such determination equally and the above commission shall be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings. However, no commission is proposed and payable to Non-Executive Directors of the Company for the Financial Year 2019-20.

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

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

4. Code of Conduct for Directors and Senior Management

A Code of Conduct as applicable to the Board of Directors and Senior Management (Vice Presidents and above) as approved by the Board, has been displayed on the Company's website www.srei.com. The Board Members and Senior Management have affirmed their compliance with the Code and a Declaration signed by the Chief Executive Officer (CEO) and Chairman pursuant to Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015 is given below:

It is hereby declared that the Company has obtained from all the Board Members and Senior Management an affirmation that they have complied with the Code of Conduct for the financial year 2019-20.

sd/-	sd/-
Rakesh Kumar Bhutoria	**Hemant Kanoria**
Chief Executive Officer	Chairman
	DIN 00193015

Further, pursuant to Regulation 26(5) of SEBI Listing Regulations, 2015, Senior Management of the Company have affirmed that they have not entered into any material, financial and commercial transactions during the year in which they had personal interest, that may have potential conflict of interest with the Company.

5. Audit Committee

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

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. The Audit Committee comprises Mr. Shyamalendu Chatterjee, Mr. Srinivasachari Rajagopal, Mr. Ram Krishna Agarwal and Mr. Malay Mukherjee, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Shyamalendu Chatterjee, Independent Director of the Company is the Chairman of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Head of Internal Audit Department, the Chief Financial Officer (CFO) and the Chief Executive Officer (CEO) attend the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors of the Company are invited to attend the Audit Committee meetings. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee. The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism, review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Listing Regulations, 2015.

As per the provisions of Section 139 of the Companies Act, 2013, the period of office of Haribhakti & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, expires at the conclusion of ensuing AGM of the Company.

The Board of Directors on the recommendation of the Audit Committee has approved and recommended to the Members, the appointment of D. K. Chhajer & Co., Chartered Accountants, having Firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI) as Statutory Auditors of the Company in accordance with Section 139 of the Companies Act, 2013 and rules made thereunder, for a period of 5 (Five) consecutive years from the conclusion of the 35th AGM till the conclusion of the 40th AGM of the Company. The first year of audit will be of the financial statements for the year ending March 31, 2021 which will include applicable quarterly financial results for the year.

Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor (including all entities in the network firm/network entity of which the Statutory Auditor is a part) during the Financial Year 2019-20, are as follows:

(Rupees in Lacs)

Particulars	2019-20
Audit Fees	113
Certification fees etc.	18
Others	5
TOTAL	**136**

• Meetings and attendance during the year

5 (Five) meetings of the Audit Committee were held during the year 2019-20 on May 20, 2019 (thereafter adjourned and completed on May 25, 2019), July 04, 2019, August 07, 2019, November 11, 2019 and February 14, 2020. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI Listing Regulations, 2015, was present in all the meetings of the Audit Committee held during the year. Further, 1 (one) circular resolution was passed by the Members of the Committee on March 03, 2020.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	5	5
Mr. Sunil Kanoria	5	5
Mr. Srinivasachari Rajagopal	5	5
Mr. Ram Krishna Agarwal	5	5
Mr. Malay Mukherjee	5	5

• The Company has an Internal Audit Department and the Head of the Department reports to the Audit Committee from time to time. The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Audit Department and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 and the RBI Directions, the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with applicable Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company. Further, an Information System (IS) Audit of the internal systems and processes is conducted at least once in a year to assess operational risks faced by the Company. The Company has also appointed external agencies to undertake the Internal Financial Controls (IFC) implementation at the Company and for review, control and monitoring Internal Financial Controls as well as for the purpose of Information System (IS) Audit of the internal systems and processes of the Company.

6. Stakeholders Relationship Committee

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

The Stakeholders Relationship Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, 2015. The Stakeholders Relationship Committee comprises Mr. Hemant Kanoria, Chairman (Category - Executive), Mr. Sunil Kanoria, Vice Chairman (Category - Non-Executive) and Mr. Shyamalendu Chatterjee, Independent Director of the Company. Mr. Shyamalendu Chatterjee is the Chairman of the Stakeholders Relationship Committee. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee and is assigned with the responsibilities of overseeing investor grievances. The Committee oversees and reviews redressal of shareholder and investor grievances, transfer & transmission of securities, issue of duplicate share/security certificates, exchange of new design share/security certificates, recording dematerialisation & rematerialisation of securities, deal with matters relating to Srei Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

• Meetings and attendance during the year

During the year 2019-20, the Stakeholders Relationship Committee met 10 (Ten) times on April 30, 2019, July 17, 2019, July 27, 2019, August 23, 2019, August 31, 2019, October 21, 2019, October 29, 2019, January 10, 2020, January 14, 2020 and February 14, 2020. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	10	9
Mr. Sunil Kanoria	10	8
Mr. Shyamalendu Chatterjee	10	9

Total number of shares physically transferred during the year 2019-20 was 701 shares compared to 5,744 shares during the year 2018-19. The said transfers pertained to the cases where transfer deed(s) were lodged prior to deadline i.e. April 01, 2019 and were returned due to deficiency in the document and were subsequently re-lodged for transfer.

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

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

Details of Investor Complaints received and resolved by the Company during the financial year ended March 31, 2020 is tabulated below:

Investor Complaints	Received (Nos.)	Resolved (Nos.)	Pending at the end of the financial year (Nos.)
From SEBI (SCORES)			
■ Equity	-	-	Nil
■ Debt	7	7	Nil
From Stock Exchanges			
■ Equity	1	1	Nil
■ Debt	1	1	Nil
Ministry of Corporate Affairs (MCA)			
■ Equity	-	-	-
■ Debt	-	-	-
Others (Received by RTA)			
■ Equity	120	120	Nil
■ Debt	685	686*	Nil

*Pertains to complaint received in the last Financial Year which was subsequently resolved during Financial Year 2019-20.

BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have furnished separate confirmations that there are no investor complaints pending against the Company as on March 31, 2020.

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

It has been a constant endeavour of the Company to send regular emails to the shareholders keeping them abreast of all the latest events, press releases and corporate announcements that are made by the Company from time to time. Emails to all shareholders intimating financial results are being sent to those shareholders who have registered their email addresses with their respective Depository Participants. Shareholders have been given reminder to encash their dividends. Further, to constantly render effective and reliable services to Investors and to scale it up on a regular basis, the Company has taken an initiative to conduct a survey to assess the requirement and satisfaction of valuable shareholders of the Company. For the said survey, emails were sent to the shareholders with the link to access the Members' Feedback Form and the same was also made available on the website of the Company www.srei.com for electronic submission. In the wake of electronic regime being the order of the day, all shareholders are requested to update their email addresses to enable the Company to serve them better.

7. Nomination and Remuneration Committee

• **Terms of Reference, Composition, Name of Members and Chairman**

The Nomination and Remuneration Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Nomination and Remuneration Committee comprises Mr. Shyamalendu Chatterjee, Mr. S. Rajagopal and Mr. Malay Mukherjee, Independent Directors of the Company. Mr. Shyamalendu Chatterjee acts as the Chairman of the Nomination and Remuneration Committee. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensures 'fit and proper' status of the existing/proposed Directors of the Company in accordance with Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, identifies the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommends to the

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

- **Meetings and attendance during the year**

2 (Two) meetings of the Nomination and Remuneration Committee of the Company were held during the year 2019-20 on May 20, 2019 and November 11, 2019. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	2	2
Mr. Sunil Kanoria*	1	1
Mr. S. Rajagopal	2	2
Mr. Balaji Viswanathan Swaminathan**	1	1
Mr. Malay Mukherjee***	-	-

*Ceased to be a Member w.e.f. 20.05.2019

**Inducted as Member w.e.f. 20.05.2019 and subsequently ceased to be Member w.e.f. 14.11.2019

***Inducted as Member w.e.f. 14.11.2019

The Nomination and Remuneration Committee at its said meetings discussed and approved various matters delineated in its Terms of Reference including Performance Evaluation of Directors, Re-appointment of Directors consequent to expiry of first term as Independent Directors, Payment of Commission to Directors, revision of the Nomination and Remuneration Policy, Succession Plan etc. The Nomination and Remuneration Policy was last revised on November 11, 2019 and is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf.

8. Subsidiary Companies' Monitoring Framework

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

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

In addition to the above, the Company has formulated a Policy for determining 'Material' Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf.

Mr. Shyamalendu Chatterjee, an Independent Director of the Company, is the Chairman (Non-Executive) of Srei Capital Markets Limited and Dr. (Mrs.) Tamali Sengupta, Independent Director of the Company, is an Independent Director of Srei Equipment Finance Limited (SEFL), both wholly owned subsidiaries of the Company.

As on March 31, 2020, Srei Equipment Finance Limited (SEFL) is a listed material Subsidiary of the Company.

9. Corporate Social Responsibility Committee

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

The Corporate Social Responsibility Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee comprises Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman of the Company acts as the Chairman of the Corporate Social Responsibility Committee. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Committee. The Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Company's CSR Policy is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Corporate_Social_Responsibility_(CSR)_Policy.pdf.

• Meetings and attendance during the year

2 (Two) meetings of the Corporate Social Responsibility Committee of the Company were held during the year 2019-20 on May 20, 2019 and November 11, 2019. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	2	2
Mr. Sunil Kanoria	2	2
Mr. Shyamalendu Chatterjee	2	2

10. Committee of Directors

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

The Committee of Directors comprises Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman of the Company acts as the Chairman of the Committee of Directors. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Committee. The Terms of Reference of this Committee includes oversight of banking and borrowing related matters, to authorise the Company officials for signing various agreements, deeds and documents etc., to consider, approve and submit various Bid documents etc. for promotion, investment, joint venture and/or expression etc. of business of the Company in the Infrastructure sector, amongst others.

• Meetings and attendance during the year

7 (Seven) meetings of the Committee of Directors of the Company were held during the year 2019-20 on April 30, 2019, May 15, 2019, August 07, 2019, October 14, 2019, November 11, 2019, January 13, 2020 and February 14, 2020. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	7	7
Mr. Sunil Kanoria	7	7
Mr. Shyamalendu Chatterjee	7	7

11. Credit Committee

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

The Credit Committee comprises Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman of the Company acts as the Chairman of the Credit Committee. Mr. Samir Mondal acts as the Secretary to the Committee. The Terms of Reference of this Committee includes oversight of all Credit related matters, to give guarantees, letter of comforts, undertakings, indemnities, lien, pledge of securities, etc. on behalf of the Company, to consider, approve and adopt various policies or guidelines or code for the Company and make modifications thereto from time to time, to take decision in connection with any matter under Insolvency & Bankruptcy Code, 2016.

• Meetings and attendance during the year

5 (Five) meetings of the Credit Committee of the Company were held during the year 2019-20 on April 01, 2019, June 10, 2019, September 13, 2019, November 29, 2019 and February 14, 2020. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	5	5
Mr. Sunil Kanoria	5	5
Mr. Shyamalendu Chatterjee	5	4
Mr. Balaji Viswanathan Swaminathan*	3	-

*Ceased to be a Member w.e.f. 14.11.2019

12. Investment Committee

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

The Investment Committee comprises Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Non-Executive Director and Dr. (Mrs.) Punita Kumar Sinha, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman of the Company acts as the Chairman of the Investment Committee. Mr. Sandeep Kumar Sultania, Chief Financial Officer of the Company acts as the Secretary to the Committee. The Terms of Reference of this Committee includes considering, authorising and approving all investment related matters of the Company in accordance with the Investment Policy of the Company.

• Meetings and attendance during the year

4 (Four) meetings of the Investment Committee of the Company were held during the year 2019-20 on May 20, 2019, August 07, 2019, November 11, 2019 and February 14, 2020.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	4	4
Mr. Sunil Kanoria	4	4
Dr. (Mrs.) Punita Kumar Sinha	4	4
Mr. Balaji Viswanathan Swaminathan*	3	2

*Ceased to be Member w.e.f. 14.11.2019

13. Risk Committee

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

The Risk Committee comprises Mr. S. Rajagopal, Mr. Malay Mukherjee and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Directors. Mr. S. Rajagopal acts as the Chairman of the Risk Committee. Mr. S. B. Tiwari acts as the Secretary to the Committee. The Terms of Reference of this Committee includes to identify and assess various risks across all entities in the Group and to suggest measures to minimise and/or mitigate the significant risks.

• Meetings and attendance during the year

4 (Four) meetings of the Risk Committee of the Company were held during the year 2019-20 on May 20, 2019, August 07, 2019, November 11, 2019 and February 14, 2020.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria*	1	1
Mr. Sunil Kanoria*	1	1
Mr. Shyamalendu Chatterjee**	2	2
Mr. Malay Mukherjee	4	4
Mr. Balaji Viswanathan Swaminathan***	3	2
Mr. S. Rajagopal****	3	3

*Ceased to be Member w.e.f. 20.05.2019

**Ceased to be Chairman w.e.f. 20.05.2019. Subsequently, inducted as Member w.e.f. 14.11.2019

***Ceased to be Member w.e.f. 14.11.2019

****Inducted as Chairman of the Committee w.e.f. 20.05.2019

14. Business Responsibility Committee

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

The Business Responsibility Committee has been constituted in line with the provisions of Regulation 34 of SEBI Listing Regulations, 2015. The Business Responsibility Committee comprises Mr. Shyamalendu Chatterjee, Mr. Ram Krishna Agarwal, Mr. Malay Mukherjee, Non-Executive and Independent Directors, Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO), Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO) and Mr. Jaidip Chatterjee, Head – Human Resources. Mr. Shyamalendu Chatterjee acts as the Chairman of the Business Responsibility Committee and Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Business Responsibility Committee. The Terms of Reference of this Committee includes to oversee the matters concerning the Business Responsibility Policy formulation & implementation, principles of responsible business and guidance and report/intimate any deviation to the Board; to review and decide on any matter concerning applicability, interpretation, operation and implementation of the Business Responsibility Policy; to formulate a system for grievance redressal mechanism related to the Business Responsibility Policy etc.

- **Meetings and attendance during the year**

1 (One) meeting of the Business Responsibility Committee of the Company was held during the year 2019-20 on May 20, 2019.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	1	1
Mr. Ram Krishna Agarwal	1	1
Mr. Malay Mukherjee*	-	-
Mr. Sanjeev Sancheti**	1	-
Mr. Rakesh Kumar Bhutoria*	-	-
Mr. Sandeep Kumar Sultania	1	1
Mr. Jaidip Chatterjee	1	1

*Inducted as Member w.e.f. 20.05.2019

** Ceased to be Member w.e.f. 20.05.2019

15. Asset Liability Management (ALM) Committee

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

The Asset Liability Management (ALM) Committee comprises Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Non-Executive Director, Mr. Shyamalendu Chatterjee and Mr. Malay Mukherjee, Non-Executive & Independent Directors of the Company. Mr. Shyamalendu Chatterjee acts as the Chairman of the ALM Committee and Mr. Sandeep Kumar Sultania acts as the Secretary to the ALM Committee. The Terms of Reference of this Committee includes review of liquidity position of the Company in various time buckets, review of Interest rate scenario including Srei Benchmark Rate (SBR) etc.

- **Meetings and attendance during the year**

4 (Four) meetings of the ALM Committee of the Company was held during the year 2019-20 on May 20, 2019, August 07, 2019, November 11, 2019 and February 14, 2020.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Sunil Kanoria	4	4
Mr. Shyamalendu Chatterjee	4	4
Mr. Malay Mukherjee	4	4
Mr. Hemant Kanoria	4	4
Mr. Balaji Viswanathan Swaminathan*	3	2

*Ceased to be Member w.e.f. 14.11.2019

16. IT Strategy Committee

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

The IT Strategy Committee has been constituted in line with the requirements of the Reserve Bank of India Master Direction – Information Technology Framework for the NBFC Sector. The IT Strategy Committee comprises Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director, Mr. Sunil Kanoria, Non-Executive Director, Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO), Mr. Yogesh Kajaria and Mr. Siddhartha Patodia. Mr. Shyamalendu Chatterjee acts as the Chairman of the IT Strategy Committee and Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO), acts as the Secretary to the IT Strategy Committee.

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

- **Meetings and attendance during the year**

2 (Two) meetings of the IT Strategy Committee of the Company were held during the year 2019-20 on November 11, 2019 and February 14, 2020.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	2	2
Mr. Sunil Kanoria	2	2
Mr. Yogesh Kajaria	2	2
Mr. Rakesh Kumar Bhutoria	2	2
Mr. Siddhartha Patodia	2	2

17. Governance Committee

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

The Governance Committee has been constituted pursuant to the provisions of Circular dated May 10, 2018 issued by the Securities and Exchange Board of India (SEBI). The Governance Committee comprises Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Malay Mukherjee, Non-Executive and Independent Director. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Committee.

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

- **Meetings and attendance during the year**

1 (One) meeting of the Governance Committee of the Company was held during the year 2019-20 on February 14, 2020.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	1	1
Mr. Sunil Kanoria	1	1
Mr. Balaji Viswanathan Swaminathan*	-	-
Mr. Malay Mukherjee**	1	1

*Ceased to be Member w.e.f. 14.11.2019

**Inducted as Member w.e.f. 14.11.2019

18. General Body Meetings

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

The date, time and venue of the last three AGMs of the Company and details of special resolutions passed thereat have been provided in the section on Shareholders' Information in the Annual Report. All the resolutions set out in the respective Notices were passed by the Shareholders.

- **Details of Special Resolution(s) passed through Postal Ballot during the Financial Year 2018-19 and Financial Year 2019-20**

- Financial Year 2018-19

During the Financial Year 2018-19, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated February 04, 2019 for continuation of Directorship of Mr. Srinivasachari Rajagopal (DIN: 00022609) as a Non Executive & Independent Director for his present term expiring on August 01, 2019 notwithstanding that he has attained the age of 75 (seventy five) years, the results of which were announced on March 22, 2019. Mr. Mohan Ram Goenka, Practicing Company

Secretary, Kolkata (FCS No. 4515, CP No. 2551) was appointed as the Scrutiniser to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

Details of Voting Pattern are as under:

Resolution: (Ordinary / Special)	Special Resolution - Continuation of Directorship of Mr. Srinivasachari Rajagopal (DIN: 00022609) as a Non Executive & Independent Director for his present term expiring on 1st August, 2019 notwithstanding that he has attained the age of 75 (seventy five) years
Whether promoter / promoter group are interested in the agenda / resolution?	No

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2) / (1)]* 100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	30,58,68,559	30,58,68,559	100.00	30,58,68,559	-	100.00	-
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**30,58,68,559**	**30,58,68,559**	**100.00**	**30,58,68,559**	**-**	**100.00**	**-**
Public-Institutions	E-Voting	7,56,36,654	6,66,16,999	88.08	5,40,44,494	1,25,72,505	81.13	18.87
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**7,56,36,654**	**6,66,16,999**	**88.08**	**5,40,44,494**	**1,25,72,505**	**81.13**	**18.87**
Public-Non Institutions	E-Voting	12,15,81,120	31,14,324	2.56	30,79,467	34,857	98.88	1.12
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		76,875	0.06	70,246	6,629	91.38	8.62
	Total	**12,15,81,120**	**31,91,199**	**2.62**	**31,49,713**	**41,486**	**98.70**	**1.30**
Total		**50,30,86,333**	**37,56,76,757**	**74.67**	**36,30,62,766**	**1,26,13,991**	**96.64**	**3.36**

Note: The aforesaid resolution was passed with requisite majority on Thursday, March 21, 2019.

Procedure for Postal ballot

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the despatch of the Postal Ballot Notice dated February 04, 2019 along with the Explanatory Statement, postal ballot form and self-addressed postage pre-paid business reply envelope on February 19, 2019 to all Members whose names appeared on the Register of Members/List of Beneficial Owners as on February 08, 2019. The Notice was sent through electronic mode to those Members, whose e-mail addresses were registered with the Depository Participants and/or the Registrar and Share Transfer Agents and through physical mode alongwith a self-addressed postage pre-paid business reply envelope to those Members whose email ids were not so registered.

The Company also published a notice in the newspaper declaring the details of completion of despatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Rules read with Regulation 44 of SEBI Listing Regulations, 2015, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from February 20, 2019 (9.00 a.m. IST) to March 21, 2019 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutiniser i.e. Mr. Mohan Ram Goenka submitted his report to the Company and the results of the postal ballot were announced by the Company on March 22, 2019. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.srei.com and on the website of KFin Technologies Private Limited, https://evoting.karvy.com.

• Financial Year 2019-20

During the Financial Year 2019-20, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated July 04, 2019 for transfer of Lending Business, Interest Earning Business & Lease Business of Srei Infrastructure Finance Limited to Srei Equipment Finance Limited, a wholly owned subsidiary of Srei Infrastructure Finance Limited as a going concern on a slump exchange basis, the results of which were announced on August 16, 2019. Mr. Mohan Ram Goenka, Practicing Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) was appointed as the Scrutiniser to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

Details of Voting Pattern are as under:

Resolution: (Ordinary / Special)	Special Resolution - Transfer of Lending Business, Interest Earning Business & Lease Business of Srei Infrastructure Finance Limited to Srei Equipment Finance Limited, a wholly owned subsidiary as a going concern on a slump exchange basis							
Whether promoter / promoter group are interested in the agenda / resolution?	No							
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes – against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		(1)	**(2)**	**(3)=[(2) / (1)]* 100**	**(4)**	**(5)**	**(6)=[(4)/ (2)]*100**	**(7)=[(5)/ (2)]*100**
Promoter and Promoter Group	E-Voting	30,58,68,559	30,58,68,559	100.00	30,58,68,559	-	100.00	-
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**30,58,68,559**	**30,58,68,559**	**100.00**	**30,58,68,559**	**-**	**100.00**	**-**
Public- Institutions	E-Voting	7,16,61,904	6,37,21,643	88.92	6,37,21,643	-	100.00	-
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**7,16,61,904**	**6,37,21,643**	**88.92**	**6,37,21,643**	**-**	**100.00**	**-**
Public-Non Institutions	E-Voting	12,55,55,870	79,21,596	6.31	78,75,482	46,114	99.42	0.58
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		33,532	0.03	30,576	2,956	91.18	8.82
	Total	**12,55,55,870**	**79,55,128**	**6.34**	**79,06,058**	**49,070**	**99.38**	**0.62**
Total		**50,30,86,333**	**37,75,45,330**	**75.05**	**37,74,96,260**	**49,070**	**99.99**	**0.01**

Note: The aforesaid resolution was passed with requisite majority on Thursday, August 15, 2019.

Procedure for Postal ballot

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 (“Rules”). The Company had completed the despatch of the Postal Ballot Notice dated July 04, 2019 containing draft resolution along with explanatory statement, e-voting instruction, Postal Ballot Forms, e-voting user IDs’ and password and a self-addressed postage pre-paid envelope on Tuesday, July 16, 2019 to all Members whose names appeared on the Register of Members/List of Beneficial Owners as on July 05, 2019. The Notice was sent through electronic mode to those Members, whose e-mail addresses were registered with the Depository Participants and/or the Registrar and Share Transfer Agents and through physical mode alongwith a self-addressed postage pre-paid envelope to those Members whose email ids were not so registered.

The Company also published a notice in the newspaper declaring the details of completion of despatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Rules read with Regulation 44 of SEBI Listing Regulations, 2015, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from July 17, 2019 (9.00 a.m. IST) to August 15, 2019 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutiniser i.e. Mr. Mohan Ram Goenka submitted his report to the Company and the results of the postal ballot were announced by the Company on August 16, 2019. The voting results were sent to the Stock Exchanges and also displayed on the Company’s website www.srei.com and on the website of KFin Technologies Private Limited, https://evoting.karvy.com.

No Resolution requiring a postal ballot was placed before the last AGM of the Company held on July 27, 2019.

The Company may seek to pass Special Resolution(s) in Financial Year 2020-21 through Postal Ballot, as and when required, subject to applicable Acts and Rules. Pursuant to the provisions of the Companies Act, 2013, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through postal ballot.

19. Disclosures

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

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

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

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

Besides the transactions reported in the Annual Report as aforesaid, no transaction of material nature has been entered into by the Company with its Directors or Key Managerial Personnel (KMPs) and their relatives that may have a potential conflict with the interests of the Company at large. The Company has not entered into any material related party transactions with any of its related parties during the financial year 2019-20. The Register of Contracts containing transactions, if any, in which Directors are interested, is placed before the Board regularly.

The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company. The said Policy was last revised on February 14, 2020 and is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf.

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

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

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

During the last 3 (Three) years, there were no strictures or penalties imposed by either Stock Exchanges or Securities and Exchange Board of India (SEBI) or any statutory authority for non-compliance of any matter related to the capital markets.

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

- **Insider Trading Code**

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015), the Board of Directors of the Company adopted the Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) for prohibition of Insider Trading by the Designated Persons and their immediate relatives as well as Promoter and Promoter Group of the Company. Further, awareness emails are circulated to all the Designated Employees of the Company on a monthly basis for increasing awareness, highlighting the compliance requirements arising out of the Srei Insider Code including Do's and Don'ts on insider trading and responsibilities of Designated Persons. Further, "Srei Chanakyaa", a smartphone knowledge application, which can be freely downloaded on Android and iOS devices also serves as a means to create insider trading awareness through the detailed list of compliances under Srei Insider Code, FAQ's on Insider Trading, Do's and Don'ts for insider trading and responsibilities of Designated Persons arising out of Srei Insider Code. Further, initiatives have been taken by the Company to spread insider trading awareness by sending bulk SMS to all the Designated Employees of the Company intimating them about the closure of Trading Window and flashing the Do's and Don'ts as screen savers on the desktops / laptops of the Designated Employees. Further, wall posters on Do's and Don'ts and responsibilities of Designated Persons have been put up across Srei Offices for increasing awareness.

The Board, at its meeting held on November 11, 2019, has revised the Srei Insider Code in line with regulatory changes.

Further, with the sole objective of increasing awareness on Srei Insider Code in an easy and simple manner, an Insider Trading Module, a webinar course on Lead Srei Online, is made available for Designated Employees of the Company. Also, training sessions on Prevention of Insider Trading are organised wherein participants are given a broad overview on regulatory requirements and guidance regarding prevention of insider trading and wherein they learn how to avoid partaking in insider trading or sharing material non-public information.

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

Further, during the Financial Year 2019-20, few instances of violations of the Srei Insider Code by Designated Persons and / or their immediate relatives were observed by the Compliance Officer. Details of all such violations were placed before the Stakeholders Relationship Committee. Subsequently, decisions of the Stakeholders Relationship Committee were reported to the Securities and Exchange Board of India (SEBI) in the prescribed format and the penalty amounts imposed on the respective Designated Persons and / or their immediate relatives were deposited to the Investor Protection and Education Fund (IPEF) of SEBI.

- **Fair Disclosure Code**

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

The Chief Financial Officer of the Company is designated as Chief Investor Relations Officer, to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. A quarterly certificate, affirming compliance with the Srei Fair Disclosure Code is placed before the Stakeholders Relationship Committee for noting. The said Code was last revised on May 20, 2019 and is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf.

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

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

The Committee of Key Executives for the determination of Materiality of events/information comprises:

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Rakesh Kumar Bhutoria	Chief Executive Officer (CEO)
Mr. Sandeep Kumar Sultania	Chief Financial Officer (CFO)

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

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

Further, with the objective of increasing awareness on disclosure requirements arising under Regulation 30 of SEBI Listing Regulations, 2015, the SEBI Listing Regulations Module, a webinar course on Lead Srei Online, is made available for Senior Employees of the Company.

- **Whistle Blower Policy (Vigil Mechanism)**

The Company has formulated a codified Whistle Blower Policy in order to encourage Directors and employees of the Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The 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 the Company's website at https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf.

The Company affirms that none of the employees / personnel have been denied access to the Audit Committee. Quarterly report with number of complaints received, if any, under the Whistle Blower Policy and their outcome is placed before the Audit Committee of the Company at quarterly intervals.

Further, no complaints were received during the year under the Whistle Blower Policy.

- **Policy against Sexual and Workplace Harassment**

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

The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act'). The Policy is meant to sensitize the employees about their fundamental 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 formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

The details of complaints during the Financial Year 2019-20 pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Company's Policy on Prevention of Sexual Harassment is as under:

Number of complaints filed	Number of complaints disposed off	Number of complaints pending
NIL	NIL	NIL

20. Means of Communication

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

■ Quarterly results	The Quarterly results of the Company are published in prominent English Newspaper having nationwide circulation as well as Bengali Newspaper and regularly hosted on Company's website. Further, pursuant to Regulation 47 read with Regulation 33 of SEBI Listing Regulations, 2015, extract of the Consolidated Results were published as per the prescribed format.
■ Newspapers in which results are normally published	Business Standard, HT Mint, Hindu Business Line, Financial Express and Ek Din.
■ Any website, where displayed	Yes, at the Company's website www.srei.com
■ Whether it also displays official news releases	Yes
■ The presentations made to institutional investors or to the analysts	Yes Pursuant to Para A of Part A of Schedule III read with Regulation 30 of SEBI Listing Regulations, 2015, schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional Investors, if any, has been duly disclosed by the Company to the Stock Exchanges and the same has also been simultaneously disseminated on the Company's website www.srei.com pursuant to Regulation 46(2) of the said Regulations.
■ Whether MD & A is a part of Annual Report or not	Yes

21. General Shareholders' Information

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

B. DISCRETIONARY REQUIREMENTS

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

a) Chairman of the Board Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties	Not Applicable as the Company has an Executive Chairman.
b) Shareholder rights A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders	Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. However, emails are sent on a quarterly basis to the shareholders of the Company having e-mail ids giving financial highlights of the Company. The Annual Report of the Company for the financial year 2019-20 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. Further, in view of the circulars issued by the Ministry of Corporate Affairs (MCA) and by the Securities and Exchange Board of India (SEBI), the Company will not be sending hard copy of the Annual Report for financial year 2019-20 to the Members. Therefore, Members are requested to get their email addresses registered/updated with the Company / Depository Participants, as applicable. The Company communicates with shareholders through e-mail, telephone and one on one meetings either in shareholder's conferences, Company visits or on road shows.
c) Modified opinion(s) in audit report Company may move towards a regime of unmodified financial statements	It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on March 31, 2020.
d) Separate posts of Chairman and CEO The Company may appoint separate persons to the post of Chairman and Managing Director/CEO	The positions of Chairman and Chief Executive Officer (CEO) are separate. The Chairman of the Company is an Executive Director and his position is separate from that of the CEO.
e) Reporting of Internal Auditor The Internal Auditor may report directly to the Audit Committee	The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

Srei Infrastructure Finance Limited

SHAREHOLDERS' INFORMATION

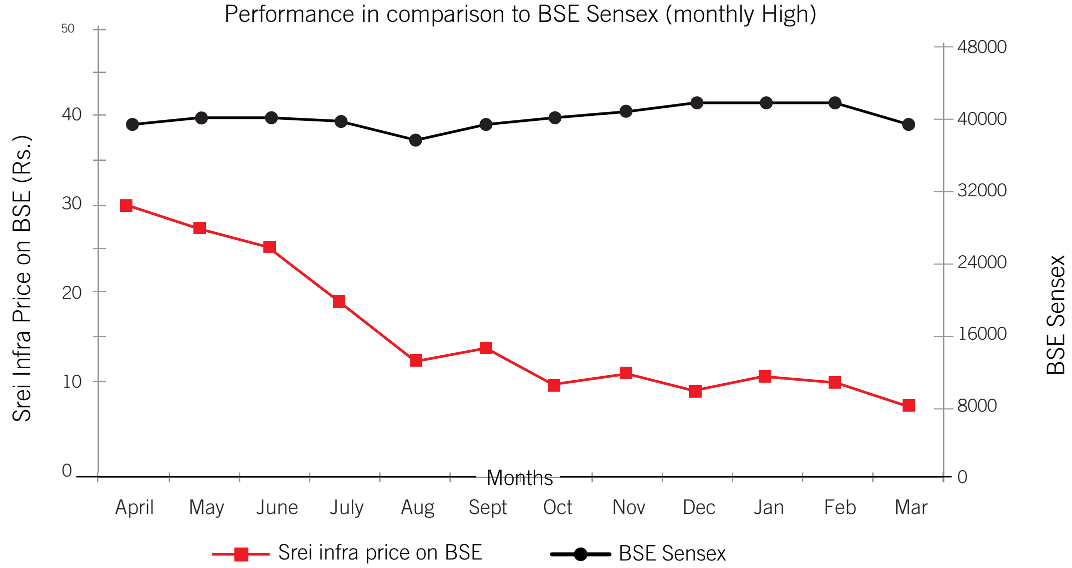
1. Annual General Meeting	
a. Date and Time	Saturday, September 19, 2020 at 11.00 a.m. (IST)
b. Venue	The 35th AGM of the Company will be conducted through Video Conferencing (VC)/Other Audio Visual Means (OAVM). The deemed venue for the 35th AGM shall be the Registered Office of the Company.
2. Financial Calendar (Tentative)	
a. Financial reporting for 2020-21	
Quarter ending June 30, 2020	On or before August 14, 2020 or such other extended date as stipulated by SEBI
Quarter / Half year ending September 30, 2020	On or before November 14, 2020
Quarter / Nine months ending December 31, 2020	On or before February 14, 2021
Year ending March 31, 2021	On or before May 30, 2021
b. Annual General Meeting for the year ending on March 31, 2021	August/September, 2021
3. Dividend Payment Date	Not Applicable (Since no dividend is recommended for the financial year 2019-20).
4. Listing on Stock Exchanges	The Equity shares of the Company are presently listed on the following Stock Exchanges: **a. BSE Limited** P. J. Towers, Dalal Street Mumbai – 400 001 **b. National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C / 1, G Block Bandra - Kurla Complex, Bandra (E) Mumbai – 400 051 The Unsecured Perpetual Non-Convertible Debentures (NCDs) of the Company amounting to Rs. 10 Crores are listed on the Debt Segment of BSE Limited (BSE).
5. Listing Fees	Listing fees for the financial year 2019-20 has been paid to all the Stock Exchanges within timelines.
6. International Security Identification Number (ISIN)	Equity Shares - INE872A01014
7. Stock Codes (Equity Shares)	Equity Shares BSE - 523756 and NSE - SREINFRA
8. Corporate Identification Number (CIN)	L29219WB1985PLC055352

9. Stock Market Data

Month	National Stock Exchange of India Limited			BSE Limited		
	High Rs.	Low Rs.	Volume	High Rs.	Low Rs.	Volume
April, 2019	30.40	25.80	1,21,67,469	30.25	25.75	10,17,170
May, 2019	26.90	22.05	1,18,42,358	28.00	22.00	11,07,090
June, 2019	25.10	14.35	1,85,38,331	25.35	14.35	21,82,216
July, 2019	19.90	11.35	1,22,82,505	19.75	11.00	12,55,717
August, 2019	12.90	9.50	1,25,07,225	12.93	9.58	10,08,670
September, 2019	13.55	8.80	1,91,76,077	14.10	8.80	14,04,166
October, 2019	10.45	7.20	1,70,01,441	10.45	7.17	14,08,761
November, 2019	11.45	8.20	1,97,60,614	11.51	8.21	26,88,414
December, 2019	9.45	7.20	128,52,056	9.48	7.30	15,97,218
January, 2020	11.30	7.85	2,37,47,229	11.30	7.72	25,73,894
February, 2020	10.40	7.70	99,50,036	10.35	7.78	14,12,092
March, 2020	8.20	3.55	2,36,24,784	8.12	3.50	82,89,123

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

Performance in comparison to BSE Sensex (monthly High)



10. Registered Office

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

11. Registrar and Share Transfer Agent's details

a.	Name & Address	KFin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) Selenium Building, Tower B, Plot 31& 32 Financial District, Nanakramguda Serilingampally Mandal Hyderabad – 500 032
b.	Telephone Nos.	040-6716 1500, 1800-345-4001
c.	Facsimile No.	040-2342 0814
d.	Website	https://www.kfintech.com
e.	Email	einward.ris@kfintech.com

12. Details of Debenture Trustees

a.	Name & Address	Catalyst Trusteeship Limited 'GDA House' Plot No.85, Bhusari Colony (Right) Kothrud, Pune – 411 038
b.	Telephone Nos.	91-20-2528-0081
c.	Facsimile Nos.	91-20-2528-0275
d.	Website	www.catalysttrustee.com
e.	Email	complianceCTL-mumbai@ctltrustee.com

13. Financial Year

1st April to 31st March

14. Particulars of Past three AGMs

AGM	Year	Venue	Date	Time	Members present
34th*	2018/19	Bhasha Bhawan Auditorium, National Library, Belvedere Road, Alipore, Kolkata - 700 027	27/07/2019 (Saturday)	10.30 a.m.	2,205
33rd**	2017/18	'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata - 700046	21/07/2018 (Saturday)	10.30 a.m.	2,207
32nd***	2016/17	'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata - 700046	22/07/2017 (Saturday)	10.30 a.m.	2,401

*Five Special Resolutions were passed:

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

**One Special Resolution was passed:

- Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 5,000 Crores during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

***One Special Resolution was passed:

- Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 10,000 Crores during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

15. Distribution of Shareholding as on March 31, 2020

Category (Shares)	No. of Shareholders*		No. of Shares	
	Total	Per cent	Total	Per cent
Up to 500	55649	73.23	8733283	1.74
501 to 1000	8787	11.56	7195646	1.43
1001 to 2000	4972	6.54	7797332	1.55
2001 to 3000	1887	2.48	4919856	0.98
3001 to 4000	1039	1.37	3756872	0.75
4001 to 5000	869	1.14	4133988	0.82
5001 to 10000	1464	1.93	10962467	2.18
10001 to 20000	635	0.84	9227278	1.83
20001 and above	690	0.91	446359611	88.72
Total	**75992**	**100.00**	**503086333**	**100.00**

*based on number of folios

16. Dividend History (Last 5 Years)

Financial Year	Dividend Per Share* (Rs.)	Dividend Declaration Date
2018 – 19	0.50	March 08, 2019**
2017 – 18	0.50	July 21, 2018
2016 – 17	0.50	July 22, 2017
2015 – 16	0.50	August 06, 2016
2014 – 15	0.50	August 01, 2015

*share of paid-up value of Rs. 10/- per share

**Interim Dividend

17. Categories of Shareholders as on March 31, 2020

Category Code	Category of Shareholder	Total Number of Shares	As a Percentage of (A+B+C)
A	Shareholding of Promoter and Promoter Group		
1	Indian	30,58,68,559	60.80
2	Foreign	N.A	N.A
	Total Shareholding of Promoter and Promoter Group*	**30,58,68,559**	**60.80**
B	Public Shareholding		
1	Institutions	4,10,94,327	8.17
2	Non-institutions**	15,61,23,447	31.03
	Total Public Shareholding	**19,72,17,774**	**39.20**
C	Non Promoter-Non Public		
1	Shares underlying DRs	-	-
	Total Non Promoter-Non Public Shareholding	-	-
	GRAND TOTAL (A+B+C)	**50,30,86,333**	**100.00**

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

**Includes 3,81,421 equity shares transferred to the Investor Education and Protection Fund (IEPF)

18. Credit Ratings

The following are the Credit Ratings as on March 31, 2020 assigned to unsecured perpetual Non-Convertible Debentures (NCDs) of the Company:

Agency	CARE	Brickwork
Perpetual NCDs	-	BWR BBB+ (Negative Outlook)

During the Financial Year 2019-20, the credit ratings of the various instruments issued by the Company were revised as follows:

Credit Rating Agency	Date of Revision	Revision Type
Brickwork Ratings India Pvt. Ltd. (Brickwork)	05.07.2019	Downgrade
CARE Ratings Limited (CARE)	13.08.2019	Downgrade
Brickwork Ratings India Pvt. Ltd. (Brickwork)	10.09.2019	Downgrade
CARE Ratings Limited (CARE)	27.02.2020	Downgrade

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

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

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

The Company does not deal in any commodity and hence is not exposed to any commodity price risk. Further, the Company lays down the overall risk strategy and Risk Committee oversees the application and adherence to it. The Company has adopted a comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market.

Foreign exchange risk management becomes an imperative as the Company borrows money in foreign currency and lends in domestic currency. Therefore, in order to optimise the cost of funds and diversify the funding mix, effective hedging strategies are put in place in keeping with the Company's risk appetite; and limits pertaining to an open position are devised.

20. Measures adopted to protect the interests of the Shareholders

a. Share Transfer Processing

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

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

Further, SEBI vide Press Release No. 12/2019 dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019.

The Stakeholders Relationship Committee meets at regular intervals. During the year 2019-20, the Stakeholders Relationship Committee met 10 (Ten) times. Total number of shares physically transferred during the year 2019-20 was 701 shares compared to 5,744 shares during the year 2018-19. The said transfers pertained to the cases where transfer deed(s) were lodged prior to deadline i.e. April 01, 2019 and were returned due to deficiency in the document and were subsequently re-lodged for transfer. There are no legal cases relating to transfer of shares.

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

b. Redressal of Grievances

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

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

- A designated e-mail ID 'investor.relations@srei.com' is available to address the Investor Grievances on a day to day basis;
- E-mails are sent to those shareholders whose e-mail IDs are registered with the Company/RTA, intimating brief highlights of the latest publicly available financial results;
- Shareholders' Referencer, a handbook for shareholders is available on the Company's website at https://www.srei.com/sifl-shareholders-information-shareholders-referencer. It serves as an easy guide for the investor's share and dividend related queries and inter-alia covers the shareholders' grievance redressal mechanism and their duties & responsibilities.

Further, with the issue of Non-Convertible Debentures (NCDs), serving Debenture holders / Bond holders has also become equally important. Daily tracker on NCD grievances mechanism is available to closely monitor the movements and ensure faster deliverables. Various initiatives undertaken by the Company to closely monitor the grievances / correspondences of the Bond Holders are as follows:

- A login based and password protected online portal i.e., Srei First Account has been developed for the bond holders to help them keep track on their investments in NCDs/ bonds online;
- A designated e-mail ID 'connect@sreibonds.com' is available to address the grievances of bond holders on a day to day basis;
- A toll free number +180 04197734 is readily available for the bond holders to address their grievances.

In addition to the above, a comprehensive Investor Grievance Redressal Policy has been formulated and put in place by the Company.

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

The Securities and Exchange Board of India (SEBI) issued Circular No. CIR/OIAE/1/2014 dated December 18, 2014 on SCORES consolidating all the earlier Circulars issued relating to SCORES. The said Circular provides that failure by listed companies and SEBI registered intermediaries to file Action Taken Report under SCORES within 30 (thirty) days of date of receipt of the grievance shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance. Further, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2018/58 dated March 26, 2018 has permitted investors to directly approach listed companies / registered intermediary for redressal of their complaints via SCORES Platform w.e.f. August 01, 2018. The entity is required to redress the grievance within 30 (thirty) days, failing which the complaint shall be registered in SCORES.

	There are no pending investor grievances lying unresolved as per the data available on SCORES as on March 31, 2020.
c. Prevention of Fraudulent Transfers	A locking provision is in existence whereby, whenever any intimation is received from the shareholders regarding loss of shares or of any legal dispute, the shares are immediately kept locked so that fraudulent transfer is stalled.

d. Dematerialisation of Shares and Liquidity

Based on a SEBI directive, the Equity shares of the Company are permitted to be traded only in dematerialised form and are available for demat under both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2020, a total of 50,03,82,628 Equity shares of the Company representing 99.46% of the total Equity Share Capital were held in dematerialised form. The entire Promoters' Group shareholding of the Company is in dematerialised form.

The bifurcation of shares held in Physical and Demat form as on March 31, 2020 is given below –

Physical / Electronic	No. of Holders*	No. of Shares	%
Physical	2,907	27,03,705	0.54
NSDL	40,831	15,10,76,661	30.03
CDSL	32,254	34,93,05,967	69.43
Total	**75,992**	**50,30,86,333**	**100.00**

*based on number of folios

For any assistance in converting physical shares in electronic form, investors may approach KFin Technologies Private Limited or the Company Secretary of the Company.

The Equity shares of the Company are actively traded on the Stock Exchanges.

e. Depositories

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, A Wing, 4th & 5th Floor Kamala Mills Compound Senapati Bapat Marg Lower Parel Mumbai - 400 013 Telephone No : 91-22-2499 4200 Facsimile Nos. : 91-22-2497/ 2993 / 6351 E-mail : info@nsdl.co.in Website : www.nsdl.co.in	25th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 Telephone No : 91-22-2302 3333 Facsimile Nos. : 91-22-2272 3199 / 2072 E-mail : investors@cdslindia.com Website : www.cdslindia.com

f. Registrar and Share Transfer Agents (RTA)

The share transfer and shareholder related activities of the Company are attended and processed by the Registrar and Share Transfer Agents (RTA) of the Company. It is the responsibility of the RTA, inter alia, to register share transfers, coordinate with the depositories and to look after the redressal of shareholders' and Investors' complaints. The complaints/queries received from Investors relating to transfer of shares, non-receipt of annual reports, dividends, share certificates etc. and also the complaints/ queries received through SEBI, MCA and the Stock Exchanges are being attended to by the RTA on priority basis.

KFin Technologies Private Limited (erstwhile Karvy Fintech Private limited), Selenium Building, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India, is the Registrar and Share Transfer Agents (RTA) of the Company for Equity Shares.

KFin Technologies Private Limited also acts as the Registrar to Non-Convertible Debt Securities (NCDs) of the Company.

g. Fund Raising	During the year, the Company issued unsecured perpetual Non-Convertible Debentures (NCDs) amounting to Rs. 10 Crores on private placement basis. The issue proceeds raised through private placement of NCDs have been utilized for the purpose of refinancing existing debt or for disbursement and for general business purpose. KFin Technologies Private Limited is the Registrar to the aforesaid NCDs issued by the Company on private placement basis.
h. Investor Relations	Global macro and business environment has been very dynamic in the past year with implications on Company's business and financial performance. In this context, the Company recognises the imperatives to maintain continuous dialogue with the investor community. This is done with the objective to abreast the Investors of all the significant developments that may likely impact the Company's performance. This translates into feeding timely, accurate and relevant information that helps investors in taking informed investment decisions. The Company focuses to build Investor Relations on pillars of trust and transparency. The Company's proactive approach has enabled global investor community to better understand the management objectives, corporate strategies and overall performance of the Company over a period of time. To deliver an effective communication, the Investor Relations Department of the Company effectively deploys tools like Annual Report, Quarterly Earnings, Investor Release, Conference Calls, one on one Investor Meets, General Meetings and Internet (Company website) to serve as a link to stay connected with the Investors. In order to enable the Company to serve better, the Members are requested to update their database with the Company by filling in and returning to the Company the Shareholders Information Form available on the Company's website at https://www.srei.com/sifl-shareholders-information-forms or by e-mailing the information at investor.relations@srei.com.
i. Investor Feedbacks	It is the constant endeavour of the Company to improve the standard of its Investor services. The Company has stipulated internal timeframes for responding to Investors' correspondence and adherence thereof is monitored by the Stakeholders' Relationship Committee. In pursuit of excellence in Corporate Governance and to constantly improve standards of service, communication and disclosures, the Company conducted a preliminary survey during the year to assess the requirement and satisfaction of valuable Investors on following broad parameters: 1. Timely receipt of Annual Reports, Dividend and other documents/correspondence. 2. Quality and contents of Annual Report. 3. Dissemination of information about the Company through shareholder communication, Annual Reports, Newspapers/Press, Company's website, e-mails, earnings conference call transcripts. 4. Response time and satisfaction level experienced in transfer/transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, revalidation of dividend warrants, exchange with new share certificates, responses to requests, registration of nomination etc. 5. Interaction with Company officials. 6. Interaction with Registrar and Share Transfer Agents. 7. Investor services section of the Company's website. 8. Annual General Meeting w.r.t. overall arrangements, attendance facilities, voting on I-pads, Chairman's communication. 9. Overall rating of Company's Investor services. The Investors have expressed their satisfaction on the quality of services rendered by the Company. The Company is constantly in the process of enhancing the service levels based on feedbacks received from the Investors.

21. Address for Shareholders' correspondence	The Company Secretary Srei Infrastructure Finance Limited 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Email : secretarial@srei.com, investor.relations@srei.com

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

a. Unpaid Dividend on Equity shares

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

During the year under review, the Company has credited a sum of Rs. 5,44,065 to the Investor Education and Protection Fund pursuant to Section 124(5) of the Companies Act, 2013, being the dividend amount pertaining to the financial year ended on March 31, 2012, which was due & payable and remained unclaimed and unpaid for a period of 7 (Seven) years. Cumulatively, the aggregate dividend amount transferred to the said Fund upto March 31, 2020 stands at Rs. 69,71,387.69.

The dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF are as follows:

Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF
2012 – 13	August 14, 2013	September 19, 2020
2013 – 14	August 02, 2014	September 07, 2021
2014 – 15	August 01, 2015	September 06, 2022
2015 – 16	August 06, 2016	September 11, 2023
2016 – 17	July 22, 2017	August 27, 2024
2017 – 18	July 21, 2018	August 20, 2025
2018 – 19	March 08, 2019*	April 11, 2026

*Interim Dividend

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

b. Unpaid Deposits and Interests thereon

During the year under review, the Company transferred a sum of Rs. 89,888 (Rupees Eighty Nine Thousand Eight Hundred and Eighty Eight only) to IEPF, being the unpaid amount of unpaid deposits and interests thereon, as provided in Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

c. Unpaid Interest on Application money on Non-Convertible Debentures (NCDs) due for refund

During the year under review, the Company transferred a sum of Rs. 274/- (Rupees Two Hundred and Seventy Four only) to IEPF, being the unpaid amount of Interest on Application money on Non-Convertible Debentures (NCDs) due for refund, as provided in Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

During the year under review, the Company transferred 54,599 Equity shares to IEPF pertaining to Financial Year 2011-12, in accordance with the provisions of Section 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 after sending letters to shareholders holding those shares and also making an advertisement in the newspapers in this regard. Details of the shares transferred to IEPF are available on the Company's website under the link https://www.srei.com/sifl-shareholders-information-transfer-shares-iepf.

Further, upon application by a shareholder claiming refund of 180 (One Hundred and Eighty) equity shares which were transferred to IEPF as per IEPF Rules, the IEPF Authority has settled application pertaining to the said 180 (One Hundred and Eighty) equity shares to the concerned shareholder during the year.

Total number of Equity shares lying in IEPF account as on March 31, 2020 aggregates to 3,81,421 shares.

The Company will send reminders to those shareholders whose shares are eligible to be transferred to IEPF during the financial year 2020-21 by giving them at least 3 (three) months' notice and also informing them through an appropriate advertisement in the newspapers.

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

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

23. Nomination

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

24. Payment of Dividend etc. in electronic mode	Pursuant to Regulation 12 of SEBI Listing Regulations, 2015, listed entity shall use any of the electronic modes of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds Rs. 1,500 (Rupees One Thousand and Five Hundred only), the 'payable at-par' warrants or cheques shall be sent by speed post. The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors, failing which the bank details available with the depository participants and the Company's Registrar and Share Transfer Agents (RTA) are printed on the physical payment instruments. Payment of dividend and other benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit/misplacement/revalidation etc. can be easily mitigated. Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA by sending a duly filled and signed National Automated Clearing House (NACH) Mandate Form available on the website of the Company www.srei.com. The Company is using NACH mandate for remittance of dividend either through NACH or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time. Members who wish to receive dividend in a bank account other than the one registered with the depository participants for shares held in demat form and with the Company's RTA for shares held in physical form, may notify their depository participants and the Company or its RTA, respectively, about any change in the bank account details. Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Company's Dividend Distribution Policy is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf.
25. Reconciliation of Share Capital Audit	As stipulated by SEBI, a qualified practicing Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.
26. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)	The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.

27. Secretarial Audit	The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)), all the Regulations of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI). The Secretarial Audit Report for the financial year ended March 31, 2020 is provided in the Annual Report.
28. Compliance Officer	Mr. Sandeep Lakhotia Company Secretary FCS 7671 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel : 91-33-6160 7734 Fax : 91-33-2285 7542/8501 Email : secretarial@srei.com, investor.relations@srei.com
29. Role of Company Secretary in overall governance process	The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He assists and advises the Board in ensuring good corporate governance as well as in complying with the corporate governance requirements. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and in accordance with Section 205 of the Companies Act, 2013 reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. He is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.
30. Certification regarding non-disqualification or non-debarment of Directors	The Company has obtained a certificate from Mr. Mohan Ram Goenka (Membership No. FCS 4515, Certificate of Practice No. 2551) certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) /Ministry of Corporate Affairs (MCA) or any such statutory authority. A copy of the said certificate is set out as an annexure to the Corporate Governance Report and forms part of this Annual Report.

31. Web links to Company policies and programmes	Policy on determining Material Subsidiaries - https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf Related Party Transactions (RPT) Policy - https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf Familiarisation Programme for Independent Directors - https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf Whistle Blower Policy - https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf ESMS Policy - https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf Policy on Prevention of Sexual Harassment - https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf Corporate Social Responsibility (CSR) Policy - https://www.srei.com/sifl-corporate-policies/Corporate_Social_Responsibility_(CSR)_Policy.pdf Nomination and Remuneration Policy - https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf Policy on Board Diversity - https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf Srei Fair Practices Code - https://www.srei.com/sifl-corporate-policies/Srei_Fair_Practice_Code.pdf Srei Code of Conduct for Board of Directors and Senior Executives - https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives.pdf Code of Practices and Procedures for Fair Disclosure (Srei Fair Disclosure Code) of Unpublished Price Sensitive Information (UPSI) - https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf Srei Investor Grievance Redressal Policy - https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf Srei Corporate Governance Framework - https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf Policy for determination of Materiality of any Event/Information - https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf Archival Policy - https://www.srei.com/sifl-corporate-policies/Archival_Policy.pdf Dividend Distribution Policy – https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf Public Policy and Advocacy – https://www.srei.com/sifl-corporate-policies/Public_policy_and_advocacy.pdf

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

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

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	■ Composition & Meetings ■ Quorum of Board Meetings ■ Review of compliance reports & compliance certificate ■ Plans for orderly succession for appointments ■ Code of Conduct ■ Fees / compensation to Non-Executive Directors ■ Minimum information to be placed before the Board ■ Compliance Certificate to be provided by CEO and CFO ■ Risk assessment and management ■ Performance evaluation of Independent Directors ■ Recommendation of the Board to the shareholders
2.	Maximum Number of Directorships	17A	Yes	■ Directorship in listed entities whose equity shares are listed on a stock exchange
3.	Audit Committee	18	Yes	■ Composition & Meetings ■ Quorum of the Committee ■ Powers of the Committee ■ Role of the Committee and review of information by the Committee
4.	Nomination and Remuneration Committee	19	Yes	■ Composition ■ Quorum of the Committee ■ Meetings of the Committee ■ Role of the Committee
5.	Stakeholders Relationship Committee	20	Yes	■ Composition ■ Meetings of the Committee ■ Role of the Committee
6.	Risk Management Committee	21	NA	-

Sr. No	Particulars	Regulation	Compliance Status	Compliance Observed
7.	Vigil Mechanism	22	Yes	■ Review of Vigil Mechanism for Directors and employees ■ Adequate safeguards against victimization of Directors and employees / personnel who avail the mechanism ■ Direct access to Chairperson of Audit Committee
8.	Related Party Transactions	23	Yes	■ Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions ■ Approval including omnibus approval of Audit Committee and the Board ■ Review of Related Party Transactions ■ No material Related Party Transactions ■ Disclosure of Related Party Transactions on consolidated basis to stock exchanges and publishing the same on Company website
9.	Corporate governance requirements with respect to subsidiary of Company	24	Yes	■ Material subsidiary of the Company is Debt Listed ■ Minutes of the meetings of the Board of Directors of the unlisted subsidiary ■ Significant transactions and arrangements entered into by the unlisted subsidiary
10.	Secretarial Audit	24A	Yes	■ Secretarial Audit Report annexed to the Board's Report ■ No material unlisted subsidiary ■ Secretarial Compliance Report submitted to stock exchanges

Sr. No	Particulars	Regulation	Compliance Status	Compliance Observed
11.	Obligations with respect to Independent Directors	25	Yes	■ No Alternate Director for Independent Directors ■ Maximum Directorship and tenure ■ Meetings of Independent Directors ■ Cessation and appointment of Independent Directors ■ Familiarisation of Independent Directors ■ Declaration by Independent Directors ■ Directors & Officer's Insurance
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	■ Memberships / Chairmanships in Committees ■ Information to be provided by the directors about the committee positions held by them in other listed entities. ■ Affirmation on compliance of Code of Conduct by Directors and Senior Management ■ Disclosure of shareholding by Non-Executive Directors ■ Disclosures by Senior Management about potential conflicts of interest ■ No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by any employee (including Key Managerial Personnel, Director and Promoter)
13.	Other Corporate Governance requirements	27	Yes	■ Compliance with discretionary requirements ■ Filing of quarterly compliance report on Corporate Governance with stock exchanges

Sr. No	Particulars	Regulation	Compliance Status	Compliance Observed
14.	Website	46(2)(b) to (i)	Yes	■ Terms and conditions for appointment of Independent Directors ■ Composition of various Committees of the Board of Directors ■ Code of Conduct for Board of Directors and Senior Executives ■ Details of establishment of Vigil Mechanism / Whistle-blower policy ■ Criteria of making payment to Non-executive Director ■ Policy on dealing with Related Party Transactions ■ Policy for determining 'material' subsidiaries ■ Details of familiarisation programmes imparted to Independent Directors

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. PREAMBLE

The Securities Exchange Board of India (SEBI) vide Notification dated 8th July, 2016 amended the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (by inserting Regulation 43A, which mandates top 500 Listed Companies, based on market capitalization (calculated as on March 31 of every financial year)) ("Listing Regulations") to formulate a Dividend Distribution Policy, which shall be disclosed in their Annual Reports and on their websites.

2. OBJECTIVE

In Compliance with Regulation 43A of the Listing Regulations, the Board of Directors ("the Board") of Srei Infrastructure Finance Limited ("the Company") endeavors to have a consistent dividend policy that balances the dual objectives of appropriately rewarding the shareholders of the Company through dividends and retaining capital, in order to support future growth.

The Philosophy of the Company is to maximize the Shareholders' wealth in the Company through various means.

3. DEFINITIONS

3.1 "Act" shall mean the Companies Act, 2013 and Rules made thereunder, including any modification(s) or amendment(s) thereof.

3.2 "The Company" or "Srei" shall mean Srei Infrastructure Finance Limited.

3.3 "Board" or "Board of Directors" shall mean Board of Directors of the Company.

3.4 "Dividend" shall mean Dividend as defined under Companies Act, 2013.

3.5 "Policy or this Policy" shall mean the Dividend Distribution Policy.

3.6 "Listing Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars etc. issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

3.7 Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

4. PARAMETERS FOR DECLARATION OF DIVIDEND

The Board of Directors of the Company shall, inter alia, consider the following parameters for recommendation / declaration of Dividend:

4.1 External Factors

The Board of Directors of the Company would, inter alia, consider the following external factors before declaring or recommending dividend to Shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Companies Act, 2013, the Companies (Declaration and Payment of Dividend) Rules, 2014, Reserve Bank of India (RBI) prudential norms and regulations, including but not limited to Capital Adequacy requirements and tax laws, if any;
- Mandatory transfer of certain portion of profits to specific reserves such as Debenture Redemption Reserve, RBI Special Reserve or any other Special Reserve etc.
- Economic environment in which the Company operates;
- Prevailing state of the capital markets.

4.2 Financial Parameters / Internal Factors

The Board of Directors of the Company would, inter alia, consider the following financial parameters before declaring or recommending dividend to shareholders:

- Stability of earnings;
- Plough back of profits for future capital expenditure programme and growth plans;
- Likelihood of crystallization of contingent liabilities, if any;
- Fund requirement for unforeseen events and contingencies;
- Restriction(s) and Covenant(s) contained in the Agreements with Lending Institutions / Debenture Trustees;
- Cash Flow to meet business expenditures;
- Outstanding borrowings;
- Past Dividend trends including Dividend Payout Ratio;
- Resources required to fund acquisitions and/or new businesses;
- Any other strategic priorities / initiatives.

4.3 Circumstances under which the shareholders may or may not expect Dividend

The Board shall consider the factors mentioned herein above before determination of any dividend payout, and after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. While the dividend payout shall be based majorly on the aforesaid factors, the interest of the shareholders shall be considered.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report.

5. UTILIZATION OF RETAINED EARNINGS

Any approved Dividend shall be paid out of the profits of the Company for that year or out of the profits of the Company for any previous year or years arrived at after providing for depreciation for the year and previous years as per the law or out of both or out of any other funds as may be permitted by law, after having due regard to the parameters laid down in this Policy.

6. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

6.1 Presently, the Authorised Share Capital of the Company is divided into 1,00,00,00,000 equity shares of Re. 10/- each and 5,00,00,000 Preference shares of Rs. 100/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

6.2 The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

6.3 As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

7. PROCEDURE

7.1 The Chief Financial Officer (CFO) in consultation with the Chairman and Managing Director (CMD) of the Company shall recommend any amount to be declared/recommended as Dividend to the Board of Directors of the Company.

7.2 Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

7.3 The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividends declared by the Company.

7.4 The Company shall make appropriate disclosures as required under the SEBI Regulations.

8. DISCLOSURE

The Company shall disclose the Policy on the Company's website and a web link thereto shall be provided in the Annual Report.

9. REVIEW

This Policy has been approved by the Board of Directors of the Company. The Board, however, may review this Policy as and when it deems appropriate. This Policy is being formulated keeping in mind the applicable laws, rules, regulations and standards in India. If there is an amendment in such laws, rules, regulations and standards, allowing or relaxing what was previously not allowed under any laws, rule, regulation and standards, then this Policy shall be deemed to have been amended to the extent of such amendment. Also, if due to subsequent amendment in the laws, this Policy or any part hereof becomes inconsistent with the law, the provisions of law shall prevail and this Policy shall be deemed to be amended to that extent.

Date: November 05, 2016
Place: Kolkata

This Policy has been reviewed and approved by the Board of Directors at its meeting held on November 05, 2016 and will become applicable from the Financial Year ending March 31, 2017 onwards.

SREI CORPORATE CODES & POLICIES – KEY CHANGES FY 2019-20

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

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2019-20
1.	Policy on determining Material Subsidiaries	The policy is used to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.	https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf	There has been no change to the Policy during the year
2.	Related Party Transactions (RPTs) Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations. The policy was revised and adopted on February 14, 2020.	https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf	Changes made – ■ pursuant to Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019
3.	Whistle Blower Policy	The policy provides mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf	There has been no change to the Policy during the year
4.	Environmental and Social Management System (ESMS) Policy	This policy provides a framework to facilitate the implementation of appropriate Environmental and Social Management System (ESMS) in the Company with the prime objective of reducing Environmental and Social impacts of its portfolio.	https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf	There has been no change to the Policy during the year
5.	Policy on Prevention of Sexual Harassment	The policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.	https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf	There has been no change to the Policy during the year
6.	Corporate Social Responsibility (CSR) Policy	The policy outlines the Company's strategy to taking Corporate Social Responsibility (CSR) as a sustainable social initiative with the aim to align and integrate its resources with society's developmental needs towards creating a better tomorrow.	https://www.srei.com/sifl-corporate-policies/Corporate_Social_Responsibility_(CSR)_Policy.pdf	There has been no change to the Policy during the year
7.	Srei Nomination & Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel (KMPs) and other employees. The policy was revised and adopted on November 11, 2019.	https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf	Changes made – ■ to incorporate the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and ■ to reflect current management structure
8.	Policy on Board Diversity	The policy sets out the approach to diversity on the Board of Directors of the Company and recognises and embraces the benefits of having a diverse Board appropriate to the requirements of the Company.	https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf	There has been no change to the Policy during the year
9.	Srei Fair Practices Code	The code provides the framework for dealings with the Customers and lays down mechanisms for redressal of Customer grievances.	https://www.srei.com/sifl-corporate-policies/Srei_Fair_Practice_Code.pdf	There has been no change to the Policy during the year

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2019-20
10.	Srei Code of Conduct for Board of Directors and Senior Executives	The code provides the framework for promoting ethical conduct in the Company.	https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives.pdf	There has been no change to the Policy during the year
11.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Srei Fair Disclosure Code)	The code provides the framework for following the best practices, duly compliant with applicable law, in the matter of disclosure of Unpublished Price Sensitive Information (UPSI). The code was revised and adopted on May 20, 2019.	https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf	Changes made - ■ to include Policy for Determination of Legitimate Purposes with illustrative list of Legitimate Purposes pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated December 31, 2018 and effective from April 01, 2019; and ■ for operational convenience
12.	Investor Grievance Redressal Policy	The policy provides mechanism for investor servicing and grievance handling.	https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf	There has been no change to the Policy during the year
13.	Corporate Governance Framework	The policy provides the framework for Corporate Governance so that executives act in accordance with the highest standards of governance while working for and on behalf of the Company.	https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf	There has been no change to the Policy during the year
14.	Group Governance Policy	This policy lays down the governance and monitoring levels of the Company's subsidiaries and other constituents falling within Group Entities.	-	There has been no change to the Policy during the year
15.	Policy for Determination of Materiality of any event / information	This policy is aimed at providing clear guidelines for determination of material events or information which need to be disclosed to the Stock Exchanges.	https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf	There has been no change to the Policy during the year
16.	Dividend Distribution Policy	The policy sets out the parameters and circumstances that will be taken into account by the Board of Directors in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.	https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf	There has been no change to the Policy during the year
17.	Code of Conduct for Prohibition of Insider Trading (Srei Insider Code)	The code provides the framework for dealing with securities of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The code was revised and adopted on November 11, 2019.	-	Changes made - ■ to incorporate provisions of SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2019 effective from July 25, 2019; and ■ to incorporate provisions of SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 effective from December 26, 2019

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2019-20
18.	Business Responsibility Policy	The policy is based on principles enunciated in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a Business released by the Ministry of Corporate Affairs, towards conducting business by a company. The policy was last revised and adopted on 20th May, 2019.	-	Changes made - ■ to incorporate revised constitution of the BR Committee
19.	Policy for Preservation of Documents	This policy provides the procedure and manner for preservation and destruction of documents which are required to be prepared or maintained under applicable regulations.	-	There has been no change to the Policy during the year
20.	Archival Policy	The policy provides the framework for the retention and archival of corporate records of the Company.	https://www.srei.com/sifl-corporate-policies/Archival_Policy.pdf	There has been no change to the Policy during the year
21.	Investment Policy	The policy lays down, inter alia, the guidelines to be followed by the Investment Committee to approve investments. The code was revised and adopted on November 11, 2019.	-	Changes made - ■ to comply with IND AS; and ■ for better disclosure
22.	Policy on "Fit and Proper" criteria for Directors	The policy sets a framework to determine whether a Director is fit and proper to hold such position in the Company.	-	There has been no change to the Policy during the year

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Srei Infrastructure Finance Limited
Vishwakarma
86C, Topsia Road (South),
Kolkata - 700 046

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Srei Infrastructure Finance Limited having CIN L29219WB1985PLC055352 and having registered office at Vishwakarma, 86C, Topsia Road (South), Kolkata-700046 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Directors	DIN	Date of Appointment in Company
1.	Mr. Hemant Kanoria	00193015	30/10/1990
2.	Mr. Sunil Kanoria	00421564	05/07/1989
3.	Mr. Srinivasachari Rajagopal	00022609	25/01/2003
4.	Mr. Shyamalendu Chatterjee	00048249	29/04/2009
5.	Dr. (Mrs.) Punita Kumar Sinha	05229262	20/05/2013
6.	Mr. Ram Krishna Agarwal	00416964	12/05/2016
7.	Mr. Malay Mukherjee	02272425	26/10/2017
8.	Dr. (Mrs.) Tamali Sengupta	00358658	04/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M R & Associates**
Company Secretaries

Sd/-
[M R Goenka]
Partner
FCS No. :4515
C P No. :2551
UDIN: F004515B000313538

Place: Kolkata
Date: June 03, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of

Srei Infrastructure Finance 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 Infrastructure Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

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 including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at 31st March, 2020, its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and 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 on the standalone Ind AS 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 standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the standalone Ind AS 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.

Sr.No	Key Audit Matters	How our audit addressed the key audit matter:
1.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 116 "Leases" (new accounting standard) :** Ind AS 116 Leases replaces the existing standard Ind AS 17 and specifies how the Company will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Accordingly, the Company has adopted Ind AS 116 Leases with effect from 1st April, 2019. The implementation of Ind AS 116 is considered a key audit matter due to the judgments needed in establishing the underlying key assumptions.	**Principal Audit Procedures:** We have performed the following audit procedures in order to obtain sufficient audit evidence: • Assessed the design and implementation of key controls pertaining to the determination of the Ind AS 116 transition impact disclosures. • Assessed whether the accounting regarding leases is consistent with the definitions of Ind AS 116 including factors such as lease term and measurement principles. • Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the Ind AS 116 calculations for each lease sampled through recalculation of the expected Ind AS 116 adjustment. • Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
2.	**Valuation of unquoted financial assets held at fair value** The valuation of the Company's unquoted financial assets held at fair value is a key audit matter due to the significance of the amount and complexity involved in the valuation process. Management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations. The valuation of the level 3 investment securities are dependent on market conditions and key assumptions made. The determination of these assumptions is complex and requires the exercise of management judgement.	**Principal Audit Procedures:** We have performed the following audit procedures in order to obtain sufficient audit evidence: • Assessed the valuation methodologies including evaluation of independent external valuers' competence, capability and objectivity. • Assessed the reasonableness of key assumptions based on our knowledge of the business and industry. • Checked, on a sample basis, the accuracy and relevance of the input data used

Emphasis of Matter

We draw attention to the following matters in the notes to the standalone Ind AS financial statements:

1. We draw attention to Note No. 32 to the standalone Ind AS financial statements, which explains that the Company has accounted for the slump exchange transaction and consequently de-recognized the relevant assets, liabilities, in its books of account, pursuant to the Business Transfer Agreement ('BTA') with its wholly-owned subsidiary, Srei Equipment Finance Limited, with effect from October 1, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. The consent or otherwise, of other lenders is still awaited. In terms of the BTA, the Company was allotted 1,93,56,415 equity shares of ₹ 10/- each at a premium of ₹ 481/- per share as part of purchases consideration of ₹ 950 Crores and de-recognised financial assets of ₹ 12,521 Crores, non-financial assets of ₹ 844 Crores, financial liability of ₹ 12,361 Crores and non-financial liability of ₹ 30 Crores as on October 1, 2019.

   The Company has also taken expert legal and accounting opinions which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework and we have relied on the same.

2. We draw attention to Note No. 44 to the standalone Ind AS financial statements, which explains that the extent to which COVID -19 pandemic will impact the Company's operations, investments in subsidiaries and financial results is dependent on future developments, which cannot be ascertained at this point of time.

Our opinion is not modified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included the Directors' Report including Annexures to Directors' Report and Report on Corporate Governance but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The above mentioned other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and accordingly, 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed 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 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 this 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 with reference to financial statements 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 standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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 standalone Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. The matter described under the Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company;

f. On the basis of the written representations received from the directors as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act;

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

According to the information and explanations given to us and the records of the Company examined by us, the managerial remuneration paid or provided by the Company to its Chairman during the year is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act. As represented to us, the Company will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting - refer Note No.39 (H) to the standalone Ind AS financial statements;

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 No.31 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership No.048523
UDIN: 20048523AAAAAS3622

Place: Mumbai
Date: July 28, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the standalone Ind AS financial statements for the year ended 31st March, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(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 physical verification of fixed assets to cover all the items in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties recorded as fixed assets in the books of accounts of the Company are held in the name of the Company, except for the details given below:-

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on 31st March, 2020 ₹ in Lacs	Net Block as on 31st March, 2020 ₹ in Lacs	Remarks
Building	1	Freehold	8,747.34	8,199.64	Conveyance is pending

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable to the Company.

(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 Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, the Company has complied with the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and the rules framed thereunder with regard to the acceptance of deposits. Further, as informed, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii)

(a) The Company is regular in depositing with appropriate authorities, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of aforesaid dues, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues with respect to value added tax, GST, customs duty and duty of excise which have not been deposited on account of any dispute. The dues outstanding as at 31st March, 2020 with respect to income tax, service tax and sales tax on account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	471	FY 2005-06 and FY 2006-07	Supreme Court of India
Income Tax Act, 1961	Income tax	125	FY 2006-07 and FY 2007-08	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	529	FY 2007-08 & FY 2010-11	Appeal in the process of being filed before Calcutta High Court
Income Tax Act, 1961	Income tax	1,809	FY 2008-09	Supreme Court of India
Income Tax Act, 1961	Income tax	1,938	FY 2011-12	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	1,283	FY 2013-14	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	1,427	FY 2014-15	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax	97	FY 2015-16	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income tax on Fringe Benefits	226	FY 2005-06 to FY 2008-09	Calcutta High Court
Finance Act, 1964	Service Tax	302	FY 2008-09 & FY 2009-10	Customs, Excise and Service Tax Appellate Tribunal (CESTAT),Kolkata
Finance Act, 1964	Service Tax	80	FY 2011-12 to FY 2014-15	CGST & CX Commissioner Appeal -1, Commissionerate of Kolkata
Finance Act, 1964	Service Tax	4,263	FY 2015-16	CGST & CX Commissioner, North Commissionerate, Kolkata
Central Sales Tax Act, 1956	Central Sales Tax Act	211	FY 2010-11	West Bengal Sales Tax Appellate and Revisional Board, Kolkata

* In terms of Business Transfer Agreement ('BTA') (Refer Note No. 32 to the standalone Ind AS financial statements), entered by the Company with its wholly owned subsidiary, Srei Equipment Finance Limited ('SEFL'), the Company is holding all the aforesaid dues on behalf of SEFL. In case of any future liability arising on the Company in relation to the aforesaid dues, the Company will recover the same from SEFL as per the terms of the BTA.

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

(ix) The Company has prima facie utilized the moneys raised by way of initial public issue offer or further public offer (including debt instruments) and the term loans during the year for the purposes for which those were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) The Company has paid/provided the managerial remuneration to the Chairman which is not in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act (i.e. the managerial remuneration paid/provided, as aforesaid, is in excess of the prescribed limits). As represented to us, the Company will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of Section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership No.048523
UDIN: 20048523AAAAAS3622

Place: Mumbai
Date: July 28, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the standalone Ind AS financial statements for the year ended 31st March, 2020]

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

We have audited the internal financial controls with reference to financial statements of Srei Infrastructure Finance Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership No.048523
UDIN: 20048523AAAAAS3622

Place: Mumbai
Date: July 28, 2020

SREI

Balance Sheet as at 31st March, 2020

(₹ in Lacs)

Particulars		Note No	As at 31st March, 2020	As at 31st March, 2019
	ASSETS			
(1)	**Financial Assets**			
	(a) Cash and Cash Equivalents	2	1,078	9,100
	(b) Bank Balance other than (a) above	3	303	11,804
	(c) Derivative Financial Instruments	4	-	2,526
	(d) Receivables			
	(I) Trade Receivables	5.1	2,389	16,957
	(II) Other Receivables	5.2	-	-
	(e) Loans	6	-	9,53,720
	(f) Investments	7	3,55,301	4,18,208
	(g) Other Financial Assets	8	137	45,962
(2)	**Non-Financial Assets**			
	(a) Current Tax Assets (Net)	10	14,454	13,749
	(b) Deferred Tax Assets (Net)	11	-	1,731
	(c) Property, Plant and Equipment	12	9,865	49,900
	(d) Right-of-use Assets		2,160	-
	(e) Capital Work-in-Progress		-	489
	(f) Other Intangible Assets	13	6	34
	(g) Other Non-Financial Assets	9	369	33,614
	TOTAL ASSETS		**3,86,062**	**15,57,794**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
	(a) Derivative Financial Instruments	4	-	423
	(b) Payables			
	(I) Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	14	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	337	1,320
	(c) Debt Securities	15	-	1,67,109
	(d) Borrowings (Other than Debt Securities)	16	45,351	9,37,228
	(e) Subordinated Liabilities	17	36,075	1,44,239
	(f) Lease Liabilities		2,271	-
	(g) Other Financial Liabilities	18	1,324	3,917
(2)	**Non-Financial Liabilities**			
	(a) Provisions	19	142	606
	(b) Deferred Tax Liabilities (Net)	11	15,716	-
	(c) Other Non-Financial Liabilities	20	579	4,244
(3)	**EQUITY**			
	(a) Equity Share Capital	21	50,309	50,324
	(b) Other Equity	22	2,33,958	2,48,384
	TOTAL LIABILITIES AND EQUITY		**3,86,062**	**15,57,794**

Significant Accounting Policies and Notes to Financial Statements. 1 to 47

The Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

As per our report of even date attached.

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm registration number: 103523W/W100048

Manoj Daga
Partner
Membership No.: 048523

Mumbai, 28th July, 2020

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Kolkata, 28th July, 2020

Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in Lacs)

	Particulars	Note No	Year ended 31st March, 2020	Year ended 31st March, 2019
	Revenue from Operations			
(i)	Interest Income	23	32	562
(ii)	Dividend Income		91	84
(iii)	Rental Income		1,436	1,718
(iv)	Fees and Commission Income		5,234	3,150
(v)	Net gain on fair value changes	24	-	761
(vi)	Net gain on derecognition of financial instruments under fair value through profit or loss		2,128	1,683
(vii)	Others		-	107
(I)	**Total Revenue from Operations**		**8,921**	**8,065**
(II)	Other Income	25	2,525	1,137
(III)	**Total Income (I+II)**		**11,446**	**9,202**
	Expenses			
(i)	Finance Costs	26	8,681	9,664
(ii)	Fees and Commission Expense		1,059	1,115
(iii)	Net loss on derecognition of financial instruments under amortised cost		1,211	-
(iv)	Impairment on Financial Instruments (Net)	28	(217)	198
(v)	Employee Benefits Expenses	27	586	370
(vi)	Depreciation, Amortisation and Impairment Expense	12, 13	800	314
(vii)	Administrative and Other Expenses	29	1,102	1,490
(IV)	**Total Expenses (IV)**		**13,222**	**13,151**
(V)	Profit / (Loss) Before Tax from continuing operations (III-IV)		(1,776)	(3,949)
(VI)	Tax Expense of continuing operation:			
	(a) Current Tax		-	-
	(b) Deferred Tax	10	(1,002)	(900)
(VII)	Profit / (Loss) after tax from continuing operations (V-VI)		(774)	(3,049)
(VIII)	Profit before Tax from discontinued operations		3,769	16,210
(IX)	Tax Expenses of discontinued operations:			
	(a) Current Tax		-	-
	(b) Deferred Tax	10	1,639	3,694
(X)	Profit after Tax from discontinued operations (VIII-IX)		2,130	12,516
(XI)	Total Profit Before Tax (V+VIII)		1,993	12,261
(XII)	Total Tax:			
	(a) Current Tax		-	-
	(b) Deferred Tax	10	637	2,794
(XIII)	**Total Profit/ (Loss) after Tax (XI-XII)**		**1,356**	**9,467**
(XIV)	**Other Comprehensive Income/(Expense)**			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		46	(35)
	(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		(20,621)	(16,491)
	(ii) Tax related to above	10	4,778	3,854
	Total Other Comprehensive Income/(Expense) (XIV)		**(15,797)**	**(12,672)**
(XV)	**Total Comprehensive Income/(Expense) (XIII+XIV)**		**(14,441)**	**(3,205)**
(XVI)	**Earnings per Equity share (in ₹) (Par Value ₹ 10/- per Equity Share)**	30		
	- Basic and Diluted Earnings per Equity share - continuing operations		(0.15)	(0.61)
	- Basic and Diluted Earnings per Equity share - discontinued operations		0.42	2.49
	- Basic and Diluted Earnings per Equity share - continuing and discontinued operations		0.27	1.88
	Significant Accounting Policies and Notes to Financial Statements.	1 to 47	-	-

The Notes referred to above form an integral part of the Statement of Profit and Loss.
This is the Statement of Profit and Loss referred to in our report of even date.

As per our report of even date attached.

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm registration number: 103523W/W100048

For and on behalf of the Board of Directors

Manoj Daga
Partner
Membership No.: 048523

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Mumbai, 28th July, 2020

Kolkata, 28th July, 2020

Statement of Cash Flow for the year ended 31st March, 2020

(₹ in Lacs)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A.	**Cash Flows from Operating Activities**		
	Profit/ (Loss) Before Tax from continuing operations	**(1,776)**	**(3,949)**
	Profit/ (Loss) Before Tax from discontinued operations	**3,769**	**16,210**
	Total Profit/ (Loss) Before Tax	**1,993**	**12,261**
	Adjustments for :		
	Net unrealised fair value (gain) / loss	-	(5,828)
	Net (gain) / loss on derecognition of Property, Plant and Equipment	(202)	380
	Interest on Income Tax Refund	(541)	(1,118)
	Liabilities No Longer Required written back	(2,059)	(61)
	Impairment on Financial Instruments (Net)	8,202	16,517
	Depreciation, Amortisation and Impairment	2,565	4,503
	Operating profit before working capital changes	**9,958**	**26,654**
	Changes in Working Capital		
	Adjustments for :		
	(Increase) / Decrease in Trade Receivables and Others Assets	(63,885)	67,067
	(Increase) / Decrease in Loans Assets	(15,925)	1,28,989
	Increase / (Decrease) in Trade Payables and Others Liabilities	3,728	(79,737)
	Increase/ (Decrease) in Other Bank Balances	(7,975)	23,414
	Cash generated / (used) in operations	**(74,099)**	**1,66,387**
	Direct Taxes Paid (net of refund)	(164)	403
	Net Cash (used in) / generated from Operating Activities	**(74,263)**	**1,66,790**
B.	**Cash Flows from Investing Activities**		
	Purchase of Property, Plant and Equipment, and Intangible Assets	(75)	(362)
	Proceeds from Sale of Property, Plant and Equipment	202	6,367
	(Increase) / Decrease in Investments (Other than Subsidiaries)	2,850	(23,310)
	(Increase) / Decrease of Investments in Subsidiaries	10	750
	Net Cash (used in) / generated from Investing Activities	**2,987**	**(16,555)**
C.	**Cash Flows from Financing Activities**		
	(Repayment of) / Proceeds from issuance of Debt securities (including subordinated debt securities) (Net)	(13,336)	(10,056)
	(Repayment of) / Proceeds from Working Capital facilities (Net)	73,476	(91,577)
	(Repayment of) / Proceeds from Other Borrowings (Net)	5,483	(64,608)
	Dividend Paid (including Corporate Dividend Tax)	(16)	(6,048)
	Net Cash (used in) / generated from Financing Activities	**65,607**	**(1,72,289)**
	Net Increase / (Decrease) in Cash and Cash Equivalents	**(5,669)**	**(22,054)**
	Cash and Cash Equivalents at the beginning of the year	**9,100**	**31,154**
	Cash and Cash Equivalents transferred under slump exchange (Refer note.32)	(2,353)	-
	Cash and Cash Equivalents at the end of the year	**1,078**	**9,100**
	Net Cash (used in) / generated from Operating Activities includes:		
	Interest Received	27	562
	Interest Paid	(6,952)	(9,542)
	Dividend Received	91	84

(₹ in Lacs)

Components of Cash and Cash Equivalents:	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	1	-
(b) Balances with Banks - in Current Account	1,077	9,100
	1,078	**9,100**

Explanations:

1. The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
2. Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

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

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm registration number: 103523W/W100048

Manoj Daga
Partner
Membership No.: 048523

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Mumbai, 28th July, 2020

Kolkata, 28th July, 2020

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital (₹ in Lacs)

Particulars	Amount
As at 1st April, 2018	**50,324**
Changes in Equity share capital during the year	-
As at 31st March, 2019	**50,324**
Changes in Equity share capital during the year	(15)
As at 31st March, 2020	**50,309**

B. Other Equity (₹ in Lacs)

Particulars	Reserves and Surplus							Items of other comprehensive Income	Total
	Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Income Tax Special reserve (pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Bond/ Debenture Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at the 1st April, 2018	**25,032**	**14,606**	**1,945**	**19,754**	**22,108**	**1,39,604**	**11,577**	**23,028**	**2,57,654**
Profit for the year	-	-	-	-	-	-	9,467		9,467
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	(23)	(12,649)	(12,672)
Dividends	-	-	-	-	-	-	(6,065)		(6,065)
Transfer from retained earnings	1,893	-	-	-	552	-	(2,445)	-	-
Balance as at 31st March, 2019	**26,925**	**14,606**	**1,945**	**19,754**	**22,660**	**1,39,604**	**12,511**	**10,379**	**2,48,384**
Balance as at the 1st April, 2019	26,925	14,606	1,945	19,754	22,660	1,39,604	12,511	10,379	2,48,384
Profit for the year	-	-	-	-	-	-	1,356	-	1,356
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	33	(15,830)	(15,797)
Forfeited Equity	-	-	15	-	-	-	-	-	15
Transfer from retained earnings	272	-	-	-	(22,660)	-	22,388	-	-
Balance as at 31st March, 2020	**27,197**	**14,606**	**1,960**	**19,754**	**-**	**1,39,604**	**36,288**	**(5,451)**	**2,33,958**

* Includes gain for ₹ 33 Lacs (Previous year: charge of ₹ 23 Lacs) on account of remeasurement of defined benefit plans.

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

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm registration number: 103523W/W100048

For and on behalf of the Board of Directors

Manoj Daga
Partner
Membership No.: 048523

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Mumbai, 28th July, 2020

Kolkata, 28th July, 2020

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1 (a) Corporate Information

Srei Infrastructure Finance Limited (the 'Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company's shares are listed on National Stock Exchange of India Limited and BSE Limited. The Company received a certificate of registration from the Reserve Bank of India (RBI) on 1st August, 1998 to commence/ carry on the business of Non- Banking Financial Institution (NBFI) and was subsequently classified as Infrastructure Finance Company vide certificate of registration dated 11th May, 2010. The registration details are as follows:

RBI	B-05.02773
Corporate Identity Number (CIN)	L29219WB1985PLC055352

The registered office of the Company and the principal place of business is 'Viswakarma' 86C Topsia Road (South), Kolkata – 700046.

The financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 28th July, 2020.

1 (b) Significant Accounting Policies

1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the Reserve Bank of India ("the RBI").

The accounting policies are applied consistently to all the periods presented in the financial statements.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for the following:

- certain financial instruments that are measured at fair values at the end of each reporting period;
- defined benefit plans - plan assets measured at fair value; and
- assets acquired in satisfaction of debt - at the lower of their carrying amount of debt and fair value less costs to sell of the asset acquired.

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 significant 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 No. 1.20 - Significant accounting judgements, estimates and assumptions.

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.

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

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

The accounting policies for some specific items are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.20.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).

1.3 Investments in Subsidiaries and Associates

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company has accounted for its equity instruments in Subsidiaries and Associates at cost, less accumulated impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

1.4 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Operations is recognised in the statement of Profit and Loss on an accrual basis as stated herein below:

(a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.16.3.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

(b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.16.3.

(c) Interest Income on credit impaired financial assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(d) Rental income arising from non-cancellable operating leases is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

(e) Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) Revenue from Contract with Customers:

Fees and Commission Income are recognised when transfer of control of promised services to customers in an amount that reflects that the consideration the Company expects to receive in exchange for those services. Revenue is recognised from management and consultancy services as and when related services are rendered and performance obligation is satisfied which is based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

SIGNIFICANT ACCOUNTING POLICIES (contd.)

(g) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

1.5 Leasing

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

1.5.1 The Company as lessor

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

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

For the revenue recognition policy on Lease Contracts, refer Note No. 1.4.

1.5.2 The Company as lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet.

1.6 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Foreign currency changes for non-monetary items measured at FVTOCI are recognised in other comprehensive income.

1.7 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.

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

1.8 Employee Benefits

1.8.1 Retirement benefit costs and other employee benefits

(A) Defined Contribution Plans:

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognised as expenditure when an employee renders related services.

(B) Defined Benefit Plans:

Gratuity Liability is defined benefit plan. 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 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 under retained earnings and is not reclassified to the statement of Profit & Loss.

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered.

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

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

1.9 Taxation

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

Current tax

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

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

Deferred tax

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

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

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

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.

1.10 Property, Plant and Equipment

Property, plant and equipment shown in the balance sheet consists of assets used in the provision of services or for administrative purposes, and include assets leased by the Company as lessor under operating leases.

Initial and subsequent recognition

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

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of Profit and Loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

Leasehold assets including improvements are amortised over the period of the lease.

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

1.11 Intangible Assets

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

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

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

1.12 Impairment of Non-Financial Assets

Tangible and intangible assets

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

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

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

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

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

Investment in Subsidiaries and Associates

The carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

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

Contingent Liabilities

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

Contingent Assets

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

1.14 Cash and cash equivalents

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

1.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM assess the financial performance and position of the Company and makes strategic decisions.

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

1.16 Financial Instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

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

Business model assessment

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.16.1 Recognition of Financial Instruments:

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

1.16.2 Initial Measurement of Financial Instruments:

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

1.16.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

These financial assets comprise bank balances, Loans, Trade receivables, Other receivables, investments and other financial assets.

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

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

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

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

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

Financial Assets at Fair Value through Profit or Loss (FVTPL):

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

Any differences between the fair values of financial assets classified as FVTPL and held by the Company on the balance sheet date is recognised in the statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Effective Interest Rate (EIR) Method:

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

The EIR for financial assets or financial liability is computed

a. By considering all the contractual terms of the financial instrument in estimating the cash flows.

b. Including fees and transaction costs that are integral part of EIR.

Impairment of Financial Assets:

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

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

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

No Expected credit losses are 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 derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

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

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

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

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

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

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

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

(B) Financial Liabilities and Equity Instruments:

Classification as debt or equity:

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

Equity Instruments

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

Financial Liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

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

Trade and other payables

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

Financial Guarantee Contracts

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

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

1.16.4 Off-setting of financial instruments

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

1.16.5 Fair value measurement

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

a) In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

1.16.6 Overview of the Expected Credit Loss (ECL) principles

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of the Company was not available and hence ECL for non-funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and/or expected realisable value of security / collateral. Additionally, the company carries out reviews for specifically identified exposures as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

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

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

In case of debt instruments at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in other comprehensive income with a corresponding effect to the statement of profit and loss but is not reduced from the carrying amount of the financial asset in the balance sheet; so the financial asset continues to be presented in the balance sheet at its fair value.

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 the expected credit losses.

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

1.17 Derivative financial instruments

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

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

1.17.1 Embedded derivatives

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

1.18 Hedge Accounting

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedging instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge. Furthermore, on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

1.18.1 Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of Profit or Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

1.18.2 Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to the statement of Profit and Loss in the periods when the hedged item affects the statement of Profit and Loss.

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

1.19 Offsetting Financial Instruments

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

1.20 Significant accounting judgements, estimates and assumptions

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

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

1.20.1 Impairment charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.16.6 Overview of ECL principles.

1.20.2 Business Model Assessment

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

1.20.3 Provisions other than loan impairment

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

1.20.4 Fair Value measurement

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

1.20.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

1.20.6 EIR method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

1.20.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

1.21 Recent accounting pronouncements

MCA notifies new Standards or amendments to existing standards. There are no such notifications which would have been applicable from 1st April, 2020.

2. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	1	-
Balances with Banks - in Current Account	1,077	9,100
Total	**1,078**	**9,100**

(i) Changes in Cash Flow from financing activities

(₹ in Lacs)

Particulars	As at 1st April, 2019	Movement		As at 31st March, 2020
		Cash	Non-Cash*	
Debt Securities	1,67,109	(9,253)	(1,57,856)	-
Borrowings (Other than Debt Securities)	9,37,228	77,539	(9,69,416)	45,351
Subordinated Liabilities	1,44,239	(2,626)	(1,05,538)	36,075
Unclaimed Debentures	249	(37)	(212)	-
Total	**12,48,825**	**65,623**	**(12,33,022)**	**81,426**

*Includes transfer under slump exchange. Refer note no. 32

(₹ in Lacs)

Particulars	As at 1st April, 2018	Movement		As at 31st March, 2019
		Cash	Non-Cash*	
Debt Securities	2,07,462	(40,104)	(249)	1,67,109
Borrowings (Other than Debt Securities)	10,93,413	(1,56,185)	-	9,37,228
Subordinated Liabilities	1,14,191	30,048	-	1,44,239
Unclaimed Debentures	-	-	249	249
Total	**14,15,066**	**(1,66,241)**	**-**	**12,48,825**

3. Bank Balance other than Note No. 2 above

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unclaimed Dividend Accounts	36	52
Fixed Deposits with banks having original maturity of more than 3 months (Including accrued interest for fixed deposits)*	267	11,752
Total	**303**	**11,804**

* Includes

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Under Lien:		
- Bank Guarantees	266	11,751
- Unclaimed Public Deposit & Interest	1	1

4. Derivative Financial Instruments

(₹ in Lacs)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Notional Amounts	Fair Value Assets	Fair Value Liabilities	Notional Amounts	Fair Value Assets	Fair Value Liabilities
PART-I						
(i) Currency derivatives:						
-Spot and forwards	-	-	-	1,705	-	48
-Currency swaps	-	-	-	28,526	1,661	375
-Options purchased	-	-	-	11,079	455	-
Subtotal (i)	**-**	**-**	**-**	**41,310**	**2,116**	**423**
(ii) Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	-	-	-	16,596	410	-
Subtotal (ii)	**-**	**-**	**-**	**16,596**	**410**	**-**
Total Derivative Financial Instruments (i)+(ii)	**-**	**-**	**-**	**57,906**	**2,526**	**423**
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	-	-	-	-	-	-
-Interest rate derivatives	-	-	-	-	-	-
Sub total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Undesignated Derivatives	-	-	-	57,906	2,526	423
Subtotal (iii)						
Total Derivative Financial Instruments (i)+(ii)+(iii)	**-**	**-**	**-**	**57,906**	**2,526**	**423**

The Company's risk management strategy and how it is applied to manage risk are explained in Note No. 35.

4.1 The Company has entered into Options/Swaps/Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding are as follows:

(Amount in Lacs)

Category	Currency	As at 31st March, 2020		As at 31st March, 2019	
		Number of Contracts	Amount in Foreign Currency	Number of Contracts	Amount in Foreign Currency
Options /Swaps	USD/INR	-	-	2	USD 300.00
Options /Swaps	EUR/INR	-	-	3	EUR 292.12
Forwards	USD/INR	-	-	4	USD 11.20
Forwards	EUR/INR	-	-	-	-
Forwards	EUR/USD	-	-	6	EUR 10.90
Interest Rate Swaps	USD/INR	-	-	2	USD 240.00

5.1 Trade Receivables:

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Considered good - Secured;	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(b) Considered good - Unsecured;	2,559	17,112
Less: Allowance for impairment loss allowance	170	155
	2,389	16,957
(c) Significant increase in credit risk	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(d) Credit impaired	412	1,665
Less: Allowance for impairment loss allowance	412	1,665
	-	-
Total (a+b+c+d)	**2,389**	**16,957**

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

ii. Movements in Expected Credit Losses Allowance is as below: (₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	1,820	1,585
Charge in Statement of Profit and Loss:		
continued operations	(910)	198
discontinued operations	(257)	37
Utilized during the year	(71)	-
Balance at the end of the year	582	1,820

iii. Ageing of Trade Receivables and Credit Risk arising therefrom is as below: (₹ in Lacs)

Particulars	As at 31st March, 2020		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	1,816	-	1,816
Due between three to six months	333	-	333
Due between six months to one year	37	-	37
Due between one year to two year	373	170	203
More than 2 year due	412	412	-
	2,971	**582**	**2,389**

(₹ in Lacs)

Particulars	As at 31st March, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	16,712	24	16,688
Due between three to six months	164	25	139
Due between six months to one year	236	106	130
More than 1 year due	1,665	1,665	-
	18,777	**1,820**	**16,957**

iv. changes in the estimation techniques or significant assumptions made during the reporting period and the reasons for those changes

Post Transfer of business under slump exchange w.e.f. 1st October, 2019, retained business of the Company is having revenue from property leasing and fees and commission income. Based on existing agreements and period of service, related customers and recovery analysis of past dues, a new aging bucket is being introduced as 'Dues between one year to two year' for the purpose of impairment provision under simplified approach.

5.2 Other Receivables: (₹ in Las)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Secured, considered good;	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(b) Unsecured considered good; and	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(c) Significant increase in credit risk	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(d) Credit impaired	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
Total (a+b+c+d)	**-**	**-**

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	-	-
Credited in Statement of Profit and Loss	-	-
Utilized during the year	-	-
Balance at the end of the year	-	-

iii. Ageing of Other Receivables and Credit Risk arising therefrom is as below: (₹ in Lacs)

Particulars	As at 31st March, 2020		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
More than 1 year due	-	-	-
	-	**-**	**-**

(₹ in Lacs)

Particulars	As at 31st March, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
More than 1 year due	-	-	-
	-	**-**	**-**

iv. The change in Expected Credit Loss Allowance of Receivables was driven by a change in the outstanding amount and movements between age buckets.

NOTES TO FINANCIAL STATEMENTS (contd.)

6. Loans

(₹ in Lacs)

Particulars	As at 31st March, 2020						As at 31st March, 2019					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
LOANS												
(A)												
(i) Term Loans	-	-	-	-	-	-	10,34,407	-	52	-	52	10,34,459
(ii) Other Loans:												
Intercoporate Deposit	-	-	-	-	-	-	400	-	-	-	-	400
Letter of Credit	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) Gross	**-**	**-**	**-**	**-**	**-**	**-**	**10,34,807**	**-**	**52**	**-**	**52**	**10,34,859**
Less: Impairment loss allowance	-				-	-	(81,139)	-	-	-	-	(81,139)
Total (A) Net	**-**	**-**	**-**	**-**	**-**	**-**	**9,53,668**	**-**	**52**	**-**	**52**	**9,53,720**
(B)												
(i) Secured by tangible assets / cash flows*	-	-	-	-	-	-	10,32,655	-	52	-	52	10,32,707
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iiI) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	-				-	-	2,152				-	2,152
Total (B) Gross	**-**	**-**	**-**	**-**	**-**	**-**	**10,34,807**	**-**	**52**	**-**	**52**	**10,34,859**
Less: Impairment loss allowance	-	-	-	-	-	-	(81,139)	-	-	-	-	(81,139)
Total (B) Net	**-**	**-**	**-**	**-**	**-**	**-**	**9,53,668**	**-**	**52**	**-**	**52**	**9,53,720**
(C) (I) Loans in India												
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	10,34,807	-	52	-	52	10,34,859
Total (C) Gross	**-**	**-**	**-**	**-**	**-**	**-**	**10,34,807**	**-**	**52**	**-**	**52**	**10,34,859**
Less: Impairment loss allowance	-	-	-	-	-	-	(81,139)	-	-	-	-	(81,139)
Total (C) (I) Net	**-**	**-**	**-**	**-**	**-**	**-**	**9,53,668**	**-**	**52**	**-**	**52**	**9,53,720**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (C) (I) Net and C (II) Net	**-**	**-**	**-**	**-**	**-**	**-**	**9,53,668**	**-**	**52**	**-**	**52**	**9,53,720**

*Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by a charge over future toll revenue/ cash flows / receivables etc. have been considered as secured.

6. Loans (contd....)

i. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	7,95,997	-	2,38,862	-	10,34,859	9,59,311	13,622	2,61,203	-	12,34,136
New assets originated or purchased	2,12,551	-	-	-	2,12,551	7,28,342	27,432	2,199	-	7,57,973
Assets derecognised or repaid (excluding write offs)	(1,52,256)	-	(12,126)	-	(1,64,382)	(7,76,741)	(9,756)	(97,375)	-	(8,83,872)
Assets derecognised on Transfer under Slump Exchange	(8,38,978)	(11,250)	(2,27,458)	-	(10,77,686)	-	-	-	-	-
Transfers to Stage 1	3,203	-	(3,203)	-	-	37,809	(31,298)	(6,511)	-	-
Transfers to Stage 2	(11,250)	11,250	-	-	-	-	-	-	-	-
Transfers to Stage 3	(9,267)	-	9,267	-	-	(1,50,668)	-	1,50,668	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	(5,342)	-	(5,342)	(2,056)	-	(71,322)	-	(73,378)
Gross carrying amount closing balance	**-**	**-**	**-**	**-**	**-**	**7,95,997**	**-**	**2,38,862**	**-**	**10,34,859**

ii. Reconciliation of ECL balance is given below:

(₹ in Lacs)

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	26,689	-	54,450	-	81,139	19,436	516	1,20,242	-	1,40,194
New assets originated or purchased	2,604	-	-	-	2,604	19,727	2,732	150	-	22,609
Assets derecognised or repaid (excluding write offs)	(4,097)	-	1,455	-	(2,642)	16,340	(152)	(36,217)	-	(20,029)
Assets derecognised on Transfer under Slump Exchange	(23,294)	(460)	(53,093)	-	(76,847)	-	-	-	-	-
Transfers to Stage 1	43	-	(43)	-	-	3,747	(3,096)	(651)	-	-
Transfers to Stage 2	(460)	460	-	-	-	-	-	-	-	-
Transfers to Stage 3	(1,485)	-	1,485	-	-	(32,373)	-	32,373	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	(4,254)	-	(4,254)	(188)	-	(61,447)	-	(61,635)
ECL allowance - closing balance	**-**	**-**	**-**	**-**	**-**	**26,689**	**-**	**54,450**	**-**	**81,139**

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ Nil (Previous year: ₹ 47,098 Lacs) as same were transferred under slump exchange.

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.

NOTES TO FINANCIAL STATEMENTS (contd.)

6.1 Disclosure of Restructured Assets

(₹ in Lacs)

Sl. No.	Type of Restructuring		Under CDR Mechanism	Others	Total	Under CDR Mechanism	Others	Total
	Financial year		Year ended 31st March, 2020			Year ended 31st March, 2019		
	Asset classification							
1	Restructured accounts as on 1st April	No. of borrowers	1	1	2	2	2	4
		Amount outstanding	1,986	6,816	8,802	4,458	7,970	12,428
		Provision thereon	1,292	1,092	2,384	2,229	2,177	4,406
2	Fresh restructuring during the year	No. of borrowers	-	1	1	-	-	-
		Amount outstanding	6	13,761	13,767	(738)	(155)	(893)
		Provision thereon	250	1,287	1,537	(70)	(86)	(156)
3	Upgradation	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	(1)	(2)	(3)	-	-	-
		Amount outstanding	(1,992)	(20,577)	(22,569)	-	-	-
		Provision thereon	(1,542)	(2,379)	(3,921)	-	-	-
5	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	(1)	(1)	(2)
		Amount outstanding	-	-	-	(1,734)	(999)	(2,733)
		Provision thereon	-	-	-	(867)	(999)	(1,866)
7	Restructured accounts as on 31st March	No. of borrowers	-	-	-	1	1	2
		Amount outstanding	-	-	-	1,986	6,816	8,802
		Provision thereon	-	-	-	1,292	1,092	2,384

Note:

i) There are no restructured accounts under "SME Debt Restructuring Mechanism" category.

ii) Fresh restructuring during the year includes fresh sanction/ changes to existing restructured accounts.

iii) Company has transferred its Loan Assets to SEFL under slump exchange w.e.f. 01st October, 2019 (refer note no.32). Restructured Assets transferred under slump exchange are shown under Sl. No. 4 above, figure of which is as below:

(₹ in Lacs)

Type of Restructuring		Under CDR Mechanism	Others	Total
Fresh restructuring during the year	No. of borrowers	1	2	3
	Amount outstanding	1,992	20,577	22,569
	Provision thereon	1,542	2,379	3,921

iv) The outstanding amount and number of borrowers as at 31st March, 2020 and 31st March, 2019 is after considering recoveries during the year.

v) Asset classification as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, is not disclosed as asset classification is not defined under Ind AS.

vi) The Company has classified all the restructured accounts (other than extension in DCCO as per RBI directions) under Stage 3 for ECL Calculations under Ind AS and provided accordingly.

NOTES TO FINANCIAL STATEMENTS (contd.)

7. Investments

(₹ in Lacs)

Particulars	As at 31st March, 2020							As at 31st March, 2019						
	Amortised cost	At Fair Value				Others*	Total	Amortised cost	At Fair Value				Others*	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
Investments														
Debt securities	-	-	-	-	-	-	-	29,590	-	67,804	-	67,804	-	97,394
Equity instruments	-	15,247	-	-	15,247	-	15,247	-	41,334	33,512	-	74,846	-	74,846
Subsidiaries	-	-	-	-	-	3,14,117	3,14,117	-	-	-	-	-	2,16,694	2,16,694
Associates	-	-	-	-	-	-	-	-	-	-	-	-	1,223	1,223
In Units of Trusts and Schemes of Venture Funds	-	26,630	-	-	26,630	-	26,630	-	35,561	-	-	35,561	-	35,561
Others (Deemed Investment)	-	-	-	-	-	-	-	-	-	-	-	-	121	121
Total – Gross A	**-**	**41,877**	**-**	**-**	**41,877**	**3,14,117**	**3,55,994**	**29,590**	**76,895**	**1,01,316**	**-**	**1,78,211**	**2,18,038**	**4,25,839**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	41,877	-	-	41,877	3,14,117	3,55,994	29,590	76,895	1,01,316	-	1,78,211	2,18,038	4,25,839
Total – B	**-**	**41,877**	**-**	**-**	**41,877**	**3,14,117**	**3,55,994**	**29,590**	**76,895**	**1,01,316**	**-**	**1,78,211**	**2,18,038**	**4,25,839**
Less: Impairment loss allowance (C)	-	-	-	-	-	(693)	(693)	(7,631)	-	-	-	-	-	(7,631)
Total – Net D =(A)-(C)	**-**	**41,877**	**-**	**-**	**41,877**	**3,13,424**	**3,55,301**	**21,959**	**76,895**	**1,01,316**	**-**	**1,78,211**	**2,18,038**	**4,18,208**

During the financial year ended 31st March, 2020 the Company sold its investment in Equity instruments that was classified at FVTOCI to meet its business objective. The fair value of the investment at the date of derecognition was ₹ 1,909 Lacs (Previous year: ₹ 3,951 Lacs) and gain on disposal was ₹ 1,073 Lacs (Previous year: loss ₹ 1,282 Lacs). Cumulative loss on disposal not reclassified to Retained earning is ₹ 425 Lacs (Previous year: loss ₹ 1,498 Lacs).

NOTES TO FINANCIAL STATEMENTS (contd.)

7. Investments (contd....)

Particulars	Quantity		₹ in Lacs	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Investments Carried at Cost				
Investments in Subsidiary Companies				
In Equity Instruments (Unquoted)				
Srei Capital Markets Limited	5050000	5050000	505	505
Srei Insurance Broking Private Limited (Net of Impairment provision for ₹ 104 Lacs (31st March, 2019: ₹ Nil)	5000000	4900000	412	506
Srei Alternative Investment Managers Limited	250000	250000	25	25
Controlla Electrotech Private Limited	35305	35305	708	708
Srei Mutual Fund Asset Management Private Limited (Net of Impairment provision for ₹ 571 Lacs (31st March, 2019: ₹ Nil)	18500000	18500000	1,279	1,850
Srei Mutual Fund Trust Private Limited (Net of Impairment provision for ₹ 15 Lacs (31st March, 2019: ₹ Nil)	150000	150000	-	15
Srei Finance Limited (Formerly Srei Asset Finance Limited)	100000	100000	10	10
Srei Equipment Finance Limited (Refer note no. 32)	79016415	59660000	3,10,455	2,13,043
Bengal Srei Infrastructure Development Limited (Net of Impairment provision for ₹ 3 Lacs (31st March, 2019: ₹ Nil)	25500	25500	-	3
In Warrants (Unquoted)				
Srei Mutual Fund Trust Private Limited	300000	300000	30	30
			3,13,424	**2,16,695**
Investments in Associate Companies				
In Equity Instruments (Unquoted)				
E Village Kendra Limited (Formerly Sahaj e-Village Limited)	-	10760000	-	1,076
IIS International Infrastructure Services GmbH, Germany	**	**	-	-
			-	**1,076**
Other - Deemed Investment				
E Village Kendra Limited (Formerly Sahaj e-Village Limited)	-	-	-	147
Quippo Oil & Gas Infrastructure Limited	-	-	-	101
Quippo Energy Limited	-	-		20
			-	**268**
Investments Carried at Amortised Cost				
Investments in Debt Securities				
In Bond & Debentures (Quoted)				
7% Fortis Healthcare Holdings Private Ltd, 2018 (Net of Impairment loss allowance for ₹ Nil (31st March, 2019: ₹ 7,631 Lacs)	-	950	-	1,959
			-	**1,959**
In Bond & Debentures (Unquoted)				
12.5% Attivo Economic Zone (Mumbai) Private Limited, 2020	-	200	-	20,000
			-	**20,000**
Investments Carried at Fair Value through Profit & Loss				
In Optionally Convertible Participating Interest Debentures (Unquoted)				
Guruvayoor Infrastructure Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	-	73102100	-	12,910
In Non Principal Protected Non Convertible Debentures (Unquoted)				
Assets Care & Reconstruction Enterprise Limited, 2023	-	6000	-	3,000
In Optionally Convertible Debentures (Unquoted)				
RW Media Private Limited, 2036	-	2500	-	630
GMR Bannerghatta Properties Private Limited	-	24000000	-	2,540
Kothavalsa Infraventures Private Limited	-	24000000	-	2,540
Kirthi Timbers Private Limited	-	24000000	-	2,540
In Warrants (Unquoted)				
Ghaziabad Aligarh Expressway Private Limited	-	88081160	-	9,944

NOTES TO FINANCIAL STATEMENTS (contd.)

7. Investments (contd....)

Particulars	Quantity		₹ in Lacs	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Amalgam Steel Private Limited 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2023	-	64460	-	48
Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2025	-	14300000	-	7,705
Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2026	-	6500000	-	3,572
In Compulsorily Convertible Debentures (Unquoted)				
Brace Iron & Steel Private Limited	-	1490	-	22,375
			-	**67,804**
Investments in Mutual Funds				
In Mutual Funds (Quoted)				
Unit Trust of India	400	400	-	-
			-	**-**
Investments in Equity Instruments				
In Security Receipts (Unquoted)				
Security Receipts- UVARCL Trust III	-	3825000	-	27,968
In Equity Instruments (Quoted)				
GMR Infrastructure Limited	-	28000000	-	5,544
			-	**33,512**
Investments Carried at Fair Value through Other Comprehensive Income				
In Equity Instruments (Quoted)				
Kotak Mahindra Bank Limited	1000	1000	13	13
Tata Steel Limited	4060	4060	11	21
Bharat Road Network Limited	16630000	16630000	5,496	15,275
Orient Green Power Company Limited	10924302	10924302	158	459
IDBI Bank Limited	60000	60000	12	28
Lakshmi Vilas Bank Limited	11245294	1510294	1,231	1,072
Ortel Communications Limited	10000	10000	-	-
NICCO Parks & Resorts Limited	-	134000	-	38
			6,921	**16,906**
In Equity Instruments (Unquoted)				
TN (DK) Expressways Limited (Pledged with Bank)	13000	13000	1	1
Madurai Tuticorin Expressways Limited (Pledged with Bank)	19500	19500	2	2
Nagpur Seoni Expressway Limited (Pledged with Bank)	-	100	-	-
India Power Corporation Limited	959310000	959310000	7,186	7,935
Potin Pangin Highway Private Limited	5000	5000	1	1
Suratgarh Bikaner Toll Road Company Private Limited	17750	17750	2	2
Royal Infrasoft Private Limited	-	100000	-	10
New India Co-operative Bank Limited	573	573	-	-
Starlift Services Private Limited (Formerly ABG Kolkata Container Terminal Private Limited)	1200	1200	-	-
Kamala Tea Co. Limited	25000	25000	34	33
Mahakaleshwar Tollways Private Limited	13270376	13270376	459	429
Essar Power Limited	-	219000000	-	14,750
Hindustan Wire Metal Products Private Limited	-	90000	-	-
SunFlag Commercial Private Limited	-	1640120	-	-
Electrosteel Steels Limited	6723710	6723710	641	641

NOTES TO FINANCIAL STATEMENTS (contd.)

7. Investments (contd....)

Particulars	Quantity		₹ in Lacs	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
In Warrants (Unquoted)				
Swach Environment Private Limited	-	15000000	-	623
Quippo Energy Limited	23540	23540	-	-
Quippo Infrastructure Limited	99620	99620	-	-
			8,326	**24,427**
In Units of Trusts and Schemes of Venture Funds (Unquoted)				
India Advantage Fund III	305549	464913	329	484
Infrastructure Project Development Capital	1102754	1102754	1,696	4,081
Infra Construction Fund	1880333	1880333	21,281	23,507
India Growth Opportunities Fund	3526949	3526949	460	4,049
Infra Advantage Fund	218000	218000	75	218
Make In India Fund	1000000	1000000	188	463
Vision India Fund	5100000	5000000	2,601	2,759
			26,630	**35,561**
Total			**3,55,301**	**4,18,208**

** There is no system of issuance of distinctive shares in the country of registration. The Company has filed its application for liquidation on 17th September, 2018.

(i) During the year dividend income has been recognised for ₹ 84 Lacs (Previous year ₹ 84 Lacs) on equity instruments categorised as measured at fair value through other comprehensive income.

(ii) During the year, the Company has invested ₹ 100 crores in debentures on behalf of its client and earned management fees for the same. The said investment and the amount received for making the same, have not been reflected in these financial statements, as the Company does not have any beneficial interest in the said investment.

All quoted and unquoted investments mentioned above all fully paid-up.

8. Other Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Income accrued but not due	-	229
Loans to employees	3	40
Security deposits		
To Related Parties	-	-
To Others	130	18,670
Claims Receivables *	-	27,023
Others	4	-
Total	**137**	**45,962**

* represents receivables assigned in favor of the Company in satisfaction of debt and the said amount is the subject matter of arbitration proceedings.

9. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	11	527
Employee Advances	12	85
Advance to Vendors for Operating Expenses	182	3,610
Advance Rent	1	6,104
Balances with Government Authorities	120	83
Assets acquired in satisfaction of debt	-	22,785
Prepaid expenses	43	420
Total	**369**	**33,614**

10. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Tax [(net of provision for tax ₹ Nil Lacs (31st March, 2019: ₹ 29,497 Lacs)]	14,454	13,749
Total	**14,454**	**13,749**

10. Current Tax Assets (Net)

The reconciliation of estimated income tax to income tax expense is as below: (₹ in Lacs)

Particulars	19-20	18-19
Profit before tax	1,993	12,261
Statutory Income Tax Rate	34.944%	34.944%
Expected income tax expense at statutory income tax rate	696	4,284
(i) Income exempt from tax/Items not deductible (net)	30	496
(ii) Effect of indexation benefit / different tax rate on certain items	(89)	(1,986)
(iii) Other differences	-	-
Total Tax Expense recognised in profit and loss account	**637**	**2,794**
Total Tax Expense recognised in Other Comprehensive Income	(4,778)	(3,854)

11. Deferred Tax Assets / (Deferred Tax Liability) (Net)

(₹ in Lacs)

Particulars	As at 1st April, 2019	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Transferred under Slump Exchange	As at 31st March, 2020
MAT Credit Entitlement	1,106	(1,106)	-		-
Financial Assets and Liabilities at FVTPL	574	(644)	-	70	-
Receivables, Financial Assets and Liabilities at Amortised Cost	29,494	1,053	-	(30,101)	446
Unrealised gain on Investment carried at Fair Value	(43,016)	(1,060)	4,794	978	(38,304)
Carried Forward of Losses & Unabsorbed Depreciation	22,968	(717)			22,251
Property, Plant and Equipment and Intangible Assets	(8,955)	446		8,366	(143)
Other Timing Differences	(439)	285	(16)	204	34
Net Deferred Tax Assets/(Liabilities)	**1,731**	**(1,743)**	**4,778**	**(20,483)**	**(15,716)**

(₹ in Lacs)

Particulars	As at 1st April, 2018	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31st March, 2019
MAT Credit Entitlement	1,106	-	-	1,106
Financial Assets and Liabilities at FVTPL	1,157	(583)	-	574
Receivables, Financial Assets and Liabilities at Amortised Cost	47,343	(17,849)	-	29,494
Unrealised gain on Investment carried at Fair Value	(40,193)	(6,665)	3,842	(43,016)
Carried Forward of Losses & Unabsorbed Depreciation	-	22,968	-	22,968
Property, Plant and Equipment and Intangible Assets	(10,900)	1,945	-	(8,955)
Other Timing Differences	2,159	(2,610)	12	(439)
Net Deferred Tax Assets/(Liabilities)	**672**	**(2,794)**	**3,854**	**1,731**

NOTES TO FINANCIAL STATEMENTS (contd.)

12. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount					Depreciation/ Amortisation and Impairment						Net Carrying Amount
	As at 1st April, 2019	Additions	Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Adjustment for Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Assets for Own use												
Buildings[1]	14,674	-	4,149	-	10,525	610	266	-	191	-	685	9,840
Plant and Machinery	99	-	89	-	10	20	5	-	22	-	3	7
Furniture and Fixtures	3,663	49	3,670	-	42	1,011	262	-	1,244	-	29	13
Motor Vehicles	55	-	55	-	-	27	6	-	33	-	-	-
Computers	69	-	43	-	26	44	10	-	30	-	24	2
Office Equipments	560	-	553	-	7	365	44	-	404	-	5	2
Leasehold Improvements	4,313	41	4,351	2	1	1,704	328	-	2,031	1	-	1
(A)	**23,433**	**90**	**12,910**	**2**	**10,611**	**3,781**	**921**	**-**	**3,955**	**1**	**746**	**9,865**
Assets given on operating lease												
Plant and Machinery	35,212	-	35,185	27	-	4,964	1,086	-	6,023	27	-	-
(B)	**35,212**	**-**	**35,185**	**27**	**-**	**4,964**	**1,086**	**-**	**6,023**	**27**	**-**	**-**
Total (C)= (A+B)	**58,645**	**90**	**48,095**	**29**	**10,611**	**8,745**	**2,007**	**-**	**9,978**	**28**	**746**	**9,865**

13. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount					Depreciation/ Amortisation and Impairment						Net Carrying Amount
	As at 1st April, 2019	Additions	Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Adjustment for Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Assets for Own use												
Software	172	-	15	-	157	138	21	-	8	-	151	6
Total	**172**	**-**	**15**	**-**	**157**	**138**	**21**	**-**	**8**	**-**	**151**	**6**

[1] Building includes Gross carrying amount of ₹ 8,747.34 Lacs in respect of which conveyance is pending.

Breakup of Depreciation/ Amortisation and Impairment for the year ended 31st March, 2020 under continued and discontinued operations is as below:

(₹ in Lacs)

Particulars	Continued Operations	Discontinued Operations	Total
Assets for Own use - Tangible	244	677	921
Assets given on operating lease	-	1,086	1,086
Assets for Own use - Intangible	19	2	21
Subtotal (a)	**263**	**1,765**	**2,028**
Right to use assets (Refer note 41)	537	-	537
Subtotal (b)	**537**	**-**	**537**
Total (a+b)	**800**	**1,765**	**2,565**

NOTES TO FINANCIAL STATEMENTS (contd.)

12. Property, Plant and Equipment (Contd...)

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Assets for Own use										
Buildings[1]	14,674	-	-	14,674	305	305	-	-	610	14,064
Plant and Machinery	99	-	-	99	10	10	-	-	20	79
Furniture and Fixtures	3,585	78	-	3,663	499	512	-	-	1,011	2,652
Motor Vehicles	62	-	7	55	16	14	-	3	27	28
Computers	61	8	-	69	24	20	-	-	44	25
Office Equipments	542	18	-	560	213	152	-	-	365	195
Leasehold Improvements	4,257	56	-	4,313	858	846	-	-	1,704	2,609
(A)	**23,280**	**160**	**7**	**23,433**	**1,925**	**1,859**	**-**	**3**	**3,781**	**19,652**
Assets given on Operating Lease										
Plant and Machinery	42,548	250	7,586	35,212	3,229	2,578	-	843	4,964	30,248
(B)	**42,548**	**250**	**7,586**	**35,212**	**3,229**	**2,578**	**-**	**843**	**4,964**	**30,248**
Total (C)= (A+B)	**65,828**	**410**	**7,593**	**58,645**	**5,154**	**4,437**	**-**	**846**	**8,745**	**49,900**

13. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Assets for Own use										
Software	172	-	-	172	71	67	-	-	138	34
Total	**172**	**-**	**-**	**172**	**71**	**67**	**-**	**-**	**138**	**34**

[1] Building includes Gross carrying amount of ₹ 8,792.72 Lacs in respect of which conveyance is pending.

Breakup of Depreciation/ Amortisation and Impairment for the year ended 31st March, 2019 under continued and discontinued operations is as below:

(₹ in Lacs)

Particulars	Continued Operations	Discontinued Operations	Total
Assets for Own use - Tangible	250	1,609	1,859
Assets given on operating lease	-	2,578	2,578
Assets for Own use - Intangible	64	3	67
Total	**314**	**4,190**	**4,504**

NOTES TO FINANCIAL STATEMENTS (contd.)

14. Trade Payables

(a) Total outstanding dues of micro enterprises and small enterprises (₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
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	-	-
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. This has been relied upon by the auditors.

(b) Total outstanding dues of creditors other than micro enterprises and small enterprises (₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
For Services	337	1,213
Operating Lease	-	107
Total	337	1,320

15. Debt Securities

(₹ in Lacs)

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	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
Non-Convertible Debentures (refer Note No. 15.1)	-	-	-	-	1,63,816	-	-	1,63,816
Long-Term Infrastructure Bonds (refer Note No. 15.2)	-	-	-	-	3,293	-	-	3,293
Total	**-**	**-**	**-**	**-**	**1,67,109**	**-**	**-**	**1,67,109**
Debt securities in India	-	-	-	-	1,67,109	-	-	1,67,109
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1,67,109**	**-**	**-**	**1,67,109**

NOTES TO FINANCIAL STATEMENTS (contd.)

15.1 Non-Convertible Debentures

As at 31st March, 2020

Funds raised ₹ 10,576 Lacs (Previous year ₹ Nil) through public issue of Secured, Redeemable Non-Convertible Debentures have been utilised for the purposes as per the terms of the issue.

All outstanding Debentures were transferred under Slump exchange. Refer note no. 32

As at 31st March, 2019

(₹ in Lacs)

Rate of Interest	Maturity Profile*						Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	
8.43 [10]	-	-	-	-	2,235	-	2,235
8.50 [1]	-	-	-	-	-	1,009	1,009
8.54 [4]	-	-	-	-	-	2,857	2,857
8.65 [10]	-	-	3,686	-	-	-	3,686
8.75 [10]	-	-	-	-	5,966	-	5,966
8.77 [4 & 10]	-	-	-	-	3,080	-	3,080
8.88 [10]	-	-	-	-	-	1,916	1,916
9.00 [10]	-	-	9,015	-	-	-	9,015
9.01 [4 & 10]	-	-	3,128	-	-	-	3,128
9.12 [10]	-	-	-	4,032	-	-	4,032
9.25 [10]	-	-	-	-	-	10,682	10,682
9.25 [4 & 10]	-	-	-	-	-	1,818	1,818
9.35 [1]	-	-	-	-	-	1,497	1,497
9.50 [10]	-	-	-	11,435	-	-	11,435
9.50 [4 & 10]	-	-	-	2,079	-	-	2,079
9.60 [1]	-	-	-	4,469	-	-	4,469
9.75 [1]	-	-	-	-	-	6,165	6,165
9.75 [4]	-	-	-	-	-	1,288	1,288
9.84 [3]	-	-	-	-	-	46	46
9.92 [3]	-	-	-	-	-	10	10
10.00 [1]	-	-	-	8,648	-	-	8,648
10.00 [4]	-	-	-	2,468	-	-	2,468
10.05 [1]	1,900	-	-	-	-	-	1,900
10.25 [1]	-	-	-	-	-	6,300	6,300
10.25 [8]	-	-	-	-	2,905	-	2,905
10.25 [4]	-	-	-	-	-	150	150
10.30 [3]	-	-	-	-	-	1,121	1,121
10.41 [5]	-	-	-	-	-	51	51
10.72 [1]	-	-	-	-	-	1	1
10.75 [1]	-	-	-	-	177	-	177
10.75 [8]	-	-	-	-	4,679	-	4,679
10.95 [1]	-	-	-	-	-	56	56
11.00 [4 & 9]	-	-	-	-	1,073	-	1,073
11.10 [1]	-	450	-	-	-	-	450
11.17 [7]	-	-	-	-	-	2,862	2,862
11.24 [4]	-	-	-	-	-	809	809
11.25 [1]	-	-	-	-	-	4,211	4,211
11.35 [1]	-	-	2,000	-	-	1,500	3,500
11.40 [1]	1,000	-	130	-	-	-	1,130
11.40 [2]	-	-	70	-	-	-	70
11.40 [6]	-	-	-	-	-	757	757
11.45 [1]	-	-	-	-	-	200	200
11.50 [1]	-	-	110	-	-	4,015	4,125
11.55 [1]	-	-	-	-	-	140	140
11.72 [4]	-	-	-	-	-	881	881
11.75 [7]	-	-	-	-	-	13,149	13,149
11.75 [4 & 7]	-	-	-	-	-	1,165	1,165
11.90 [1]	-	-	-	4,000	-	-	4,000
12.00 [4 & 6]	-	-	-	-	-	533	533
12.00 [6]	-	-	-	-	-	5,626	5,626
	2,900	**450**	**18,139**	**37,131**	**20,115**	**70,815**	**1,49,550**

* Does not include effective interest rate adjustment in accordance with IndAS 109 for ₹ 1,448 Lacs. Does not includes Interest accrued and not due in accordance with IndAS 109 ₹ 15,714 Lacs.

[1] Secured against Receivables/Assets of the Company and mortgage of immovable property.

[2] Secured against Mortgage of immovable property.

[3] Secured against Receivables/Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

[4] Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

[5] Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

[6] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/ Bond(s) are held by investors on the relevant record date of interest payment.

[7] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[8] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category shall be eligible for additional coupon rate of 0.25% p.a. Further, investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[9] Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[10] Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company and Srei Equipment Finance Limited, in past public issues and/ or are equity shareholder(s) of the Company and/or are Senior Citizens and/or are Employees of Srei Group (the Company and all its subsidiaries, sub-subsidiaries, associates and group companies), on date of allotment, shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the Investors on the relevant record date of interest payment.

Funds raised ₹ NIL for the year ended 31st March 19.

All the above debentures are redeemable at par.

15.2 Long-Term Infrastructure Bonds – Secured, Redeemable, Non-convertible Debentures

During the financial year 2011-12, the Company had raised fund through Public issue of Long-Term Infrastructure Bonds in the nature of Secured, Redeemable Non-Convertible Debentures, eligible for deduction under section 80 CCF of the Income-Tax Act, 1961. Fund raised has been utilised for the purposes of infrastructure lending as per terms in the year of the issue.

Maturity profile and rate of interest of these Bonds are as set out below:

(₹ in Lacs)

Rate of Interest	Maturity Profile As at 31st March, 2020*			Maturity Profile As at 31st March, 2019*		
	2026-27	2021-22	Total	2026-27	2021-22	Total
8.90%	-	-	-	-	1,055	1,055
9.15%	-	-	-	967	-	967
Total	**-**	**-**	**-**	**967**	**1,055**	**2,022**

*Does not includes Interest accrued and not due in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 1,271 Lacs).

Bonds with interest rate of 8.90% have an overall tenure of 10 years and those with 9.15%, 15 years. Buyback option was available for all bonds at the end of 5 years i.e. on 22.03.2017. Bonds are secured by exclusive charge on specific receivables of the Company & pari-passu mortgage/charge on immovable property.

During the year, Company has transferred all the outstanding Long-Term Infrastructure Bonds under Slump exchange. Refer note no.32

NOTES TO FINANCIAL STATEMENTS (contd.)

16. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	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
(a) Term Loans								
Secured								
From Banks								
- Rupee Loans *(refer Note No. 16.1)*	-	-	-	-	1,55,378	-	-	1,55,378
- Foreign Currency Loans *(refer Note No. 16.1)*	-	-	-	-	13,996	-	-	13,996
From Financial Institutions								
- Rupee Loans *(refer Note No. 16.1)*	-	-	-	-	21,495	-	-	21,495
- Foreign Currency Loans *(refer Note No. 16.1)*	-	-	-	-	-	-	-	-
Working Capital Facilities	-	-	-	-	6,00,832	-	-	6,00,832
Unsecured								
From Banks								
- Foreign Currency Loans *(refer Note No. 16.1)*	-	-	-	-	21,137	-	-	21,137
From Financial Institutions								
- Foreign Currency Loans *(refer Note No. 16.1)*	-	-	-	-	8,620	-	-	8,620
Commercial Papers								
- From Others	39,263	-	-	39,263	51,192	-	-	51,192
(b) Loans repayable on demand								
Secured								
Working Capital Facilities	-	-	-	-	62,654	-	-	62,654
Unsecured								
Inter Corporate Deposits	6,088	-	-	6,088	1,924	-	-	1,924
Total	**45,351**	**-**	**-**	**45,351**	**9,37,228**	**-**	**-**	**9,37,228**
Borrowings in India	45,351	-	-	45,351	8,93,475	-	-	8,93,475
Borrowings outside India	-	-	-	-	43,753	-	-	43,753
Total	**45,351**	**-**	**-**	**45,351**	**9,37,228**		**-**	**9,37,228**

i. Working capital facilities from banks, including working capital demand loans earmarked against such facilities, are secured by hypothecation of underlying assets (short-term as well as long-term loan assets) covered by hypothecation loan and operating 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.

ii. Face value of Commercial Paper outstanding as at 31 March, 2020 is ₹ 39,830 Lacs (as at 31st March, 2019 ₹ 51,950 Lacs). Face value of maximum outstanding at any time during the year was ₹ 44,955 Lacs (As at 31st March, 2019 ₹ 129,605 Lacs). Face value of Commercial Paper repayable within one year is ₹ 39,830 Lacs (As at 31st March, 2019 ₹ 51,950 Lacs).

16.1 Term Loans

Secured

As at 31st March, 2020

During the year, outstanding secured loans from Bank and Financial Institutions were transferred under Slump exchange. (Refer note no. 32)

As at 31st March, 2019 (₹ in Lacs)

Particular	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Rupee Loans[1]	-	16,812	73,250	65,259	1,55,321	MCLR/Base Rate + 00bps to 155bps
From Banks - Foreign Currency Loans[2]	1,940	3,881	3,881	4,269	13,971	Euribor + 295bps to 350bps
From Financial Institutions - Rupee Loans[3]	-	7,875	9,000	4,500	21,375	MCLR/Base Rate + 5bps
Total	**1,940**	**28,568**	**86,131**	**74,028**	**1,90,667**	

The above Term Loans are secured by charge on specific assets covered by loan / lease agreements with customers and / or receivables arising therefrom.

[1] Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 146 Lacs) and Interest accrued and not due in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 203 Lacs).

[2] Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 95 Lacs) and Interest accrued and not due in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 120 Lacs).

[3] Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ (12) Lacs) and Interest accrued and not due in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 108 Lacs).

Unsecured

As at 31st March, 2020

During the year, outstanding unsecured loans from Bank and Financial Institutions were transferred under Slump exchange. (Refer note no.32)

As at 31st March, 2019 (₹ in Lacs)

Particular	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Foreign Currency Loans[1]	17,011	3,734	-	-	20,745	Libor + 350bps
From Financial Institutions - Foreign Currency Loans[2]	3,583	2,048	2,047	1,024	8,702	Euribor + 33bps
Total	**20,594**	**5,782**	**2,047**	**1,024**	**29,447**	

[1] Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ (38) Lacs) and Interest accrued and not due in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 354 Lacs).

[2] Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 86 Lacs) and Interest accrued and not due in accordance with IndAS 109 ₹ Nil (31st March, 2019: ₹ 4 Lacs).

NOTES TO FINANCIAL STATEMENTS (contd.)

17. Subordinated Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
Subordinated Perpetual bonds/ debentures (Tier I Capital) (refer Note No. 17.1)	36,075	-	-	36,075	32,091	-	-	32,091
Subordinated bonds/debentures (Tier II Capital) (refer Note No. 17.2)	-	-	-	-	97,106	-	-	97,106
Subordinated Deposits - Unsecured (refer Note No. 17.3)	-	-	-	-	5,056	-	-	5,056
Subordinated Loans - Unsecured (refer Note No.17.3)	-	-	-	-	9,986	-	-	9,986
Total	**36,075**	**-**	**-**	**36,075**	**1,44,239**	**-**	**-**	**1,44,239**
Subordinated Liabilities in India	36,075	-	-	36,075	1,44,239	-	-	1,44,239
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total	**36,075**	**-**	**-**	**36,075**	**1,44,239**	**-**	**-**	**1,44,239**

17.1 Subordinated Perpetual bonds/debentures (Tier I Capital)

During the year, the Company has raised Unsecured subordinated perpetual debentures amounting to ₹ 1,000 Lacs (Previous Year: ₹ 32,000 Lacs). As at 31st March, 2020, the amount outstanding is ₹ 33,000 Lacs (31st March 2019 : ₹ 32,000 Lacs). These debentures have call option which is exercisable with prior approval of RBI. Call Option can be exercised by the Company on 1st April 2029 for ₹ 32,000 Lacs and 22nd April, 2029 for ₹ 1,000 Lacs.

(₹ in Lacs)

Rate of Interest	As at 31st March, 2020		As at 31st March, 2019	
	Maturity Profile*	Total	Maturity Profile*	Total
	2029-30		2029-30	
10.00	33,000	33,000	32,000	32,000
Total	**33,000**	**33,000**	**32,000**	**32,000**

* Does not includes Interest accrued and not due in accordance with Ind AS 109 ₹ 3,075 Lacs (31st March 2019: ₹ 91 Lacs).

17.2 Subordinated bonds / debentures (Tier II Capital)

During the year, the Company raised subordinated debt qualifying for Tier II capital amounting to ₹ Nil (31st March, 2019: ₹ Nil). The following table sets forth the details of the outstanding:

As at 31st March, 2020

During the year, outstanding subordinated bonds/ debentures were transferred under Slump exchange (Refer Note No. 32).

As at 31st March, 2019 (₹ in Lacs)

Rate of Interest	Maturity Profile						Total*
	2027-28	2023-24	2022-23	2021-22	2020-21	2019-20	
9.12	1,226	-	-	-	-	-	1,226
9.50 [1]	316	-	-	-	-	-	316
9.50	1,160	-	-	-	-	-	1,160
10.20	-	-	-	-	-	20,000	20,000
10.50	-	-	-	-	5,000	-	5,000
10.60	-	-	-	-	-	4,030	4,030
10.75	-	5,840	-	-	1,660	-	7,500
11.25	-	-	3,400	-	-	-	3,400
11.40	-	-	-	10,000	-	-	10,000
11.50	-	-	2,336	-	-	-	2,336
11.70	-	-	4,690	-	-	-	4,690
11.80	-	-	6,770	-	-	-	6,770
11.85	-	-	7,000	-	-	-	7,000
11.90	-	-	-	21,915	-	-	21,915
Total	**2,702**	**5,840**	**24,196**	**31,915**	**6,660**	**24,030**	**95,343**

[1] Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

All the above bonds are redeemable at par.

* Does not include effective interest rate adjustment in accordance with Ind AS 109 ₹ Nil (31st March 2019: ₹ 960 Lacs) and Interest accrued and not due in accordance with Ind AS 109 ₹ Nil (31st March 2019: ₹ 2,723 Lacs)

17.3 Subordinated Loan & Deposits

As at 31st March, 2020

During the year, the Company had prepaid subordinated rupee deposits for ₹ 5,000 Lacs (Previous year ₹ Nil).

During the year, outstanding subordinated loan from Banks were transferred under Slump exchange (Refer Note No.32).

As at 31st March, 2019 (₹ in Lacs)

Particulars	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Subordinated Rupee Loans[1]	-	10,000	-	-	10,000	Base Rate + 200bps
From Others - Subordinated Rupee Deposits (Fixed)[2]	5,000	-	-	-	5,000	8.90%
Total	**5,000**	**10,000**	**-**	**-**	**15,000**	

[1] Does not include effective interest rate adjustment in accordance with Ind AS 109 ₹ Nil (31st March, 2019: ₹ 105 Lacs) and Interest accrued and not due in accordance with Ind AS 109 ₹ Nil (31st March 2019: ₹ 91 Lacs).

[2] Does not include Interest accrued and not due in accordance with Ind AS 109 ₹ Nil (31st March 2019: ₹ 56 Lacs).

18. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unpaid Dividends (refer Note No. 18.1)	36	52
Unpaid Matured Deposits and Interest Accrued thereon (refer Note No. 18.1 & 18.2)	-	1
Unpaid Matured Debentures and Interest Accrued thereon	-	249
Security Deposits & Retentions	406	1,157
Payable to Employees	116	274
Commission Payable to Directors	-	48
Liability for Operating Expenses	238	731
Financial Guarantee Liability	39	689
Advances and Due to Others	489	716
Total	**1,324**	**3,917**

18.1 To be credited to Investor Education and Protection Fund as and when due.

18.2 In order to qualify for registration as an 'Infrastructure Finance Company', the Company decided not to accept or renew public deposits w.e.f. 20th April, 2010. The amount of public deposits outstanding as on 19th April, 2010 (including matured and unclaimed deposits) along with accrued and future interest thereof is kept in the form of a Fixed Deposit, under lien, with Axis Bank Limited, a scheduled commercial bank, for the purpose of making payment to the depositors. The outstanding balance of the Fixed Deposit as at 31st March, 2020 is ₹ 1 Lac (31st March 2019: ₹ 1 Lacs).

19. Provisions

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits (Refer Note No. 38)		
Provision for Gratuity	19	279
Provision for Unavailed Leave	123	327
Total	**142**	**606**

20. Other Non-financial liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Sundry liabilities (Interest Capitalisation) Account	-	1,637
Advance from Customers	97	2,288
Statutory Liabilities	482	129
Others	-	190
Total	**579**	**4,244**

21. Equity Share Capital

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised				
Equity Shares, ₹ 10/- par value per share	1000000000	1,00,000	1000000000	1,00,000
Preference Shares, ₹ 100/- par value per share	50000000	50,000	50000000	50,000
		1,50,000		**1,50,000**
Issued and subscribed				
Equity Shares, ₹ 10/- par value per share	503559160	50,356	503559160	50,356
Fully Paid-up				
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309
Forfeited Shares	-	-	472827	15
Total		**50,309**		**50,324**

21.1 Reconciliation of the Number of Equity Shares outstanding

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

Equity Shares	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309

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

The Company's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31st March, 2020 and 31st March, 2019.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

21.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2020)

The Company has not issued any shares without payment being received in cash/ by way of bonus shares since 2014-15.

21.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	30,36,75,845	60.36	30,36,75,845	60.36
Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund	2,64,98,940	5.27	3,43,55,610	6.83

21.5 Refer note 33 - for Company's capital management objectives, policies and processes.

21.6 Declaration and payment of dividend

(₹ in Lacs)

Particulars	19-20	18-19
Dividend declared & paid during the year		
Final dividend for the year ended 31st March, 2019: ₹ Nil per share (31st March, 2018: ₹ 0.50 per share)	-	2,515
Interim dividend for the year ended 31st March, 2020: ₹ Nil per share (31st March, 2019: ₹ 0.50 per share)	-	2,515
Total dividends paid	-	5,030
Proposed dividend on equity shares		
Final cash dividend for the year ended on 31st March, 2020: ₹ Nil per share (31st March, 2019: ₹ Nil per share)	-	-

22. Other Equity

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Special Reserve (pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	26,925	25,032
Add: Transfer from retained earnings	272	1,893
Closing balance	**27,197**	**26,925**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	14,606	14,606
Add: Transfer from retained earnings	-	-
Closing balance	**14,606**	**14,606**
Capital Reserve		
Opening balance	1,945	1,945
Add: Addition during the year	15	-
Closing balance	**1,960**	**1,945**
Securities Premium Reserve		
Opening balance	19,754	19,754
Closing balance	**19,754**	**19,754**
Bond/Debenture Redemption Reserve		
Opening balance	22,660	22,108
Add: Transfer from retained earnings	-	9,066
Less: Transfer to retained earnings	22,660	8,514
Closing balance	**-**	**22,660**
General Reserve		
Opening balance	1,39,604	1,39,604
Closing balance	**1,39,604**	**1,39,604**
Equity Instruments through Other Comprehensive Income		
Opening balance	10,379	23,028
Add: Transfer from retained earnings (net of tax)	(15,830)	(12,649)
Closing balance	**(5,451)**	**10,379**
Retained Earnings		
Opening balance	12,511	11,577
Add: Profit for the year	1,356	9,467
Add: Other Comprehensive Income (net of tax)	33	(23)
Add/ Less: Appropriations		
Transferred to Special Reserve	272	1,893
Transferred to Bond/Debenture Redemption Reserve (net)	(22,660)	552
Interim dividend [amount ₹ Nil (Previous year ₹ 0.50 per share]	-	2,515
Equity dividend [amount ₹ Nil per share (Previous year ₹ Nil)]	-	2,515
Corporate dividend tax	-	1,035
Total appropriations	**(22,388)**	**8,510**
Closing balance	**36,288**	**12,511**
Total	**2,33,958**	**2,48,384**

i) **Special Reserve:**

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

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

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

(ii) **Income Tax Special Reserve:**

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

(iii) Capital Reserve:

This reserve represents capital investment subsidy received, amount forfeited towards warrant subscription and amount on cancellation of forfeited equity shares.

(iv) Securities Premium:

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

(v) Bond/Debenture 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 created DRR only for redemption of public issue of Non-Convertible debentures (NCDs).

(vi) General Reserve:

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

(vii) Equity Instruments through Other Comprehensive Income:

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

(viii) 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.

23. Interest Income

(₹ in Lacs)

Particulars	2019-20			2018-19		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on deposits with Banks	-	19	-	-	50	-
Other interest Income	-	13	-	-	512	-
Total	**-**	**32**	**-**	**-**	**562**	**-**

24. Net gain on fair value changes

(₹ in Lacs)

Particulars	2019-20	2018-19
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives	-	-
(ii) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	-	761
Total Net gain/(loss) on fair value changes (A)	**-**	**761**
Fair Value changes:		
-Realised	-	-
-Unrealised	-	761
Total Net gain/(loss) on fair value changes (B) to tally with (A)	**-**	**761**

25. Other Income

(₹ in Lacs)

Particulars	2019-20	2018-19
Net gain / (loss) on derecognition of property, plant and equipment	(1)	(2)
Interest on Income Tax Refund	541	1,118
Others	1,985	21
Total	**2,525**	**1,137**

26. Finance Costs

(₹ in Lacs)

Particulars	2019-20		2018-19	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	4,539	-	5,796
Interest on subordinated liabilities	-	3,774	-	3,641
Other interest expense	-	368	-	227
Total	**-**	**8,681**	**-**	**9,664**

27. Employee Benefits Expenses

(₹ in Lacs)

Particulars	2019-20	2018-19
Salaries and wages	535	335
Contribution to provident and other funds	34	23
Staff welfare expenses	17	12
Total	**586**	**370**

28. Impairment on Financial Instruments (Net)

(₹ in Lacs)

Particulars	2019-20		2018-19	
	On Financial Intruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Intruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Investments	-	693	-	-
Other financial assets	-	(910)	-	198
Total	**-**	**(217)**	**-**	**198**

29. Administrative and Other Expenses

(₹ in Lacs)

Particulars	2019-20	2018-19
Rent, Taxes and Energy Costs	328	650
Repairs and Maintenance	103	554
Communication Costs	23	10
Printing and Stationery	19	7
Advertisement and Publicity	23	15
Director's Fees, Allowances and Expenses	27	3
Auditor's Fees and Expenses (refer Note No. 29.1)	77	6
Legal and Professional Charges	267	70
Insurance	3	3
Corporate Social Responsibility Expenses (refer Note No. 29.2)	11	12
Travelling & Conveyance	132	89
Other Expenditure	89	71
Total	**1,102**	**1,490**

NOTES TO FINANCIAL STATEMENTS (contd.)

29.1 Payments to the Auditor (including GST)

(₹ in Lacs)

Particulars	2019-20	2018-19
As Auditor - Statutory Audit & Limited Reviews	80	89
For Other Services (Certification etc.)	18	40
For Reimbursement of Expenses	5	3
Total	**103**	**132**
- cost under continued operations	77	6
- cost under discontinued operations	26	126

29.2 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	2019-20	2018-19
(a) Gross amount required to be spent during the year	155	274
(b) Amount spent during the year		
- Construction / acquisition of any asset	-	-
- On purposes other than above	158	277
Total	**158**	**277**
Amount paid in cash	158	277
Amount yet to be paid in cash	**-**	**-**
- cost under continued operations	11	12
- cost under discontinued operations	147	265

30. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

(₹ in Lacs)

Particulars	2019-20	2018-19
Profit after Tax from continuing operations attributable to the Equity Shareholders (₹ in Lacs) (A)	(774)	(3,049)
Profit after Tax from discontinued operations attributable to the Equity Shareholders (₹ in Lacs) (B)	2,130	12,516
Profit for the year [₹ in Lacs] (C=A+B)	1,356	9,467
Basic and Diluted		
(i) Number of Equity Shares at the beginning of the year	50,30,86,333	50,30,86,333
(ii) Number of Equity Shares issued during the year	-	-
(iii) Number of Equity Shares at the end of the year	50,30,86,333	50,30,86,333
(iv) Weighted average number of Equity Shares outstanding during the year (D)	50,30,86,333	50,30,86,333
(v) Nominal Value of each Equity Share (₹)	10	10
Basic and Diluted Earnings per Equity share - continuing operations (₹) (A/D)	**(0.15)**	**(0.61)**
Basic and Diluted Earnings per Equity share - discontinued operations (₹) (B/D)	**0.42**	**2.49**
Basic and Diluted Earnings per Equity share - continuing & discontinued operations (₹) (C/D)	**0.27**	**1.88**

31. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts:		
Income Tax*	-	7,982
Service Tax*	-	4,645
Central Sales Tax*	-	276
Claims under dispute	-	22,405
(b) Guarantees:		
Bank Guarantees[1]	1,376	12,885
Total	**1,376**	**48,193**
B. Commitments		
Estimated amount of capital contracts remaining	1	161
On account of Letter of Credit	-	-
On account of Derivative Instruments *(refer Note No. 4)*		

* As regards the contingent liability amounting to ₹ 211 Lacs for Central Sales tax, ₹ 4,645 Lacs for Service tax and ₹ 7,905 Lacs for Income tax as on 31st March, 2020, in relation to various previous financial years, which are under dispute/pending with relevant forum/authorities, in terms of the Business Transfer Agreement ('BTA') (Refer Note No. 32), the Company is holding the same, in its books of account, on behalf of its wholly owned subsidiary, Srei Equipment Finance Limited ('SEFL'). In case of any future liability arising on the Company in relation to the aforesaid claims, the Company will recover the same from SEFL as per the terms of the BTA.

[1] Includes ₹ 1,045 Lacs (Previous year ₹ Nil) issued on Company's behalf by the Banker of a Subsidiary Company.

32. Discontinued Operations:

The Board of Directors of the Company and its wholly owned subsidiary, Srei Equipment Finance Limited ("SEFL") at their respective meetings held on 4th July, 2019 approved the transfer of Lending Business, Interest Earning Business & Lease Business of the Company together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (the "Transferred Undertaking"), as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement ("BTA"), in exchange of fully paid up equity shares to be issued and allotted by SEFL, subject to all necessary approvals.

Pursuant to this, the Company signed BTA on 16th August, 2019 and an amendment to the, aforesaid, BTA on 14th November, 2019 with SEFL, pursuant to which it has entered into various assignment agreements, in connection with the Transferred Undertaking, with SEFL to give effect of the slump exchange and accordingly the Company and SEFL has passed the relevant accounting entries in their respective books of account effective 1st October, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. In terms of the BTA, SEFL has allotted 1,93,56,415 equity shares of ₹ 10/- each at a premium of ₹ 481/- per share to the Company as part of purchases consideration of ₹ 950 Crs. The Company has transferred and de-recognised financial assets of ₹ 12,521 Crores, non-financial assets of ₹ 844 Crores, financial liability of ₹ 12,361 Crores and non-financial liability of ₹ 30 Crores as on 1st October, 2019. One of debenture holders of SEFL holding debentures amounting to ₹ 75 crores has objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. Pending the approvals as stated above, the Company had accounted for the slump exchange transaction on 1st October 2019, as stated above. The Company has obtained expert legal and accounting opinions in relation to the accounting of the Slump Exchange Transaction which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and frame work.

32. Discontinued Operations (contd...)

The Company has derecognised the financial and Non-financial assets and Liabilities transferred to SEFL as on 1st October, 2019 on consummation of slump exchange, details of which is as under:

(₹ in Lacs)

	Particulars	Amount
	ASSETS	
(1)	**Financial Assets**	
(a)	Cash and Cash Equivalents	2,353
(b)	Bank Balance other than (a) above	19,476
(c)	Derivative Financial Instruments	2,424
(d)	Receivables	
	(I) Trade Receivables	49,286
	(II) Other Receivables	-
(e)	Loans	10,00,839
(f)	Investments	1,34,065
(g)	Other Financial Assets	43,704
(2)	**Non-Financial Assets**	
(a)	Deferred Tax Assets (Net)	20,483
(b)	Property, Plant and Equipment	38,118
(c)	Capital Work-in-Progress	474
(d)	Other Intangible Assets	7
(e)	Other Non-Financial Assets	25,252
	Total Assets (A)	**13,36,481**
	LIABILITIES	
(1)	**Financial Liabilities**	
(a)	Derivative Financial Instruments	359
(b)	Payables	
	(I)Trade Payables	
	(i) Total outstanding dues of micro enterprises and small enterprises	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	35
(c)	Debt Securities	1,56,436
(d)	Borrowings (Other than Debt Securities)	9,70,836
(e)	Subordinated Liabilities	1,05,538
(f)	Other Financial Liabilities	2,877
(2)	**Non-Financial Liabilities**	
(a)	Provisions	236
(b)	Other Non-Financial Liabilities	2,750
	Total Liabilities (B)	**12,39,067**
	Net Assets Transferred (A-B)	**97,414**

NOTES TO FINANCIAL STATEMENTS (contd.)

32. Discontinued Operations (contd...)

Transferred Undertaking is considered as Discontinued Operations as per IndAS 105 'Non-current Assets Held for Sale and Discontinued Operations'. Income & Expense in relation to Discontinued Operation is as below:

(₹ in Lacs)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	Revenue from Operations		
(i)	Interest Income	62,945	1,50,790
(ii)	Dividend Income	-	-
(iii)	Rental Income	479	900
(iv)	Fees and Commission Income	784	1,626
(v)	Net gain on fair value changes	5,026	5,909
(vi)	Net gain on derecognition of financial instruments under fair value through profit or loss	15,921	20,553
(vii)	Others	-	-
(I)	**Total Revenue from Operations**	**85,155**	**1,79,778**
(II)	Other Income	394	(23)
(III)	**Total Income (I+II)**	**85,549**	**1,79,755**
	Expenses		
(i)	Finance Costs	68,783	1,33,385
(ii)	Fees and Commission Expense	-	-
(iii)	Impairment on Financial Instruments (Net)	8,419	16,319
(iv)	Employee Benefits Expenses	1,448	3,275
(v)	Depreciation, Amortisation and Impairment Expense	1,765	4,189
(vi)	Administrative and Other Expenses	1,365	6,377
(IV)	**Total Expenses (IV)**	**81,780**	**1,63,545**
(V)	**Profit/ (Loss) Before Tax (III-IV)**	**3,769**	**16,210**
(VI)	Tax Expense	1,639	3,694
(VII)	**Profit from discontinued operations (V-VI)**	**2,130**	**12,516**

(₹ in Lacs)

Net Cash flow attributable to discontinued operations is as below:	Year ended 31st March, 2020	Year ended 31st March, 2019
Net Cash (Used in) / Generated from Operating Activities	(87,089)	1,92,517
Net Cash (Used in) / Generated from Investing Activities	17,412	(37,135)
Net Cash (Used in) / Generated from Financing Activities	68,545	(1,66,363)
Net cash generated from / (used in) discontinued operations	(1,132)	(10,981)

33. 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.

34. REGULATORY CAPITAL (Capital Adequacy Ratio)

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Tier I capital	15,301	1,43,602
Tier II capital	-	63,632
Total capital	**15,301**	**2,07,234**
Risk Weighted Assets	71,595	13,31,383
Tier I Ratio (%)	21.37	10.79
Tier II Ratio (%)	-	4.78

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, deposits and loans.

The aforesaid figures on regulatory capital are as per 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.

35. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.16 to the financial statements.

A) Categories of Financial Instruments

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

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	1,078	1,078	9,100	9,100
ii) Bank Balance other than (i) above	303	303	11,804	11,804
iii) Trade Receivables	2,389	2,389	16,957	16,957
iv) Other Receivables	-	-	-	-
v) Loans	-	-	9,53,668	9,52,354
vi) Investments	-	-	21,959	21,959
vii) Other Financial Assets	137	137	45,962	45,962
Sub-total	**3,907**	**3,907**	**10,59,450**	**10,58,136**

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
b) Measured at Fair value through Profit or Loss				
i) Derivative Financial Instruments	-	-	2,526	2,526
ii) Loans	-	-	52	52
iii) Investments	-	-	1,01,316	1,01,316
iv) Other Financial Assets	-	-	-	-
Sub-total	**-**	**-**	**1,03,894**	**1,03,894**
c) Measured at Fair value through Other Comprehensive Income				
i) Investments	41,877	41,877	76,895	76,895
Sub-total	**41,877**	**41,877**	**76,895**	**76,895**
Total Financial Assets*	**45,784**	**45,784**	**12,40,239**	**12,38,925**
Financial Liabilities				
a) Measured at Amortised Cost				
i) Payables	337	337	1,320	1,320
ii) Debt Securities	-	-	1,67,109	1,68,165
iii) Borrowings (Other than Debt Securities)	45,351	45,351	9,37,228	9,37,228
iv) Subordinated Liabilities	36,075	35,627	1,44,239	1,47,810
v) Lease Liabilities	2,271	2,271	-	-
vi) Other Financial Liabilities	1,324	1,324	3,917	3,917
Sub-total	**85,358**	**84,910**	**12,53,813**	**12,58,440**
b) Measured at Fair value through Profit or loss				
i) Derivative Financial Instruments	-	-	423	423
Sub-total	**-**	**-**	**423**	**423**
Total financial liabilities	**85,358**	**84,910**	**12,54,236**	**12,58,863**

* Exclude investment in subsidiaries and associates amounting to ₹ 313,424 Lacs (31st March, 2019 - ₹ 218,038 Lacs) measured at cost.

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 observable future cash flows based on terms, discounted at the average lending rate of the company.

Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted discounted at the average borrowing rate of the company.

Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

B) Fair Value Hierarchy

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

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

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	-	-	-
Loans	-	-	-	-
Other financial assets	-	-	-	-
Investments	6,921		34,956	41,877
	6,921	**-**	**34,956**	**41,877**
Financial liabilities				
Derivative Financial Instruments	-	-	-	-
	-	-	-	-

(₹ in Lacs)

Particulars	As at 31st March, 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	2,526	-	2,526
Loans	-	-	52	52
Other financial assets	-	-	-	-
Investments	22,451	-	1,55,760	1,78,211
	22,451	**2,526**	**1,55,812**	**1,80,789**
Financial liabilities				
Derivative Financial Instruments	-	423	-	423
	-	**423**	**-**	**423**

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lacs)

Particulars	Fair Value As at		Fair Value Heirarchy	Valuation Technique and Key Input	Significant Unobservable Input
	31st March, 2020	31st March, 2019			
Financial Assets					
Derivative Financial Instruments	-	2,526	Level 2	Note (i)	Not Applicable
Loans	-	52	Level 3	Note (ii)	Note (v)
Other financial assets	-	-	Level 3	Note (ii)	Note (v)
Investments	6,921	22,451	Level 1	Note (iii)	Not Applicable
Investments	34,956	1,55,760	Level 3	Note (iv)	Note (v) & (vi)
Financial liabilities					
Derivative Financial Instruments	-	423	Level 2	Note (i)	Not Applicable

(i) **Mark-to-Market**
Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

(ii) **Income Approach.**
The discounted cash flow method was used to capture the present value of the expected future benefits to be derived from the underlying Assets.

(iii) **Quoted Prices.**
Quoted bid prices of an active market was used.

(iv) **Other Inputs**

(a) Market Multiple Method: Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method: Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method: Value of the underlying net assets of the business.

(v) Discount rate, determined using the average cost of borrowing of the company + spread and contract yield rates.

(vi) Estimated future cash flows.

Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Loans		Investments		Other financial assets	
	19-20	18-19	19-20	18-19	19-20	18-19
Opening Balance	52	29,777	1,55,760	1,45,828	-	15,179
Addition	-	45	100	7,936	-	-
Sale/ Repayment*	(52)	(29,773)	(1,11,310)	(5,032)	-	(15,179)
Transfers into Level 3	-		-	-	-	-
Transfers from Level 3	-		-	-	-	-
Unrealised income/(loss)	-	3	(9,594)	7,028	-	-
Closing Balance	**-**	**52**	**34,956**	**1,55,760**	**-**	**-**

* includes transfer under Slump Exchange

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.

(₹ in Lacs)

Reconciliation	As at 31st March, 2020		As at 31st March, 2019	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans	-	-	1	1
Investment	722	722	2,224	2,207
Other financial assets	-	-	842	707
Total	**722**	**722**	**3,067**	**2,915**

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 Lacs)

As at 31st March, 2020	USD	Euro	Total
Cash and cash equivalents	5	-	5
Loans	-	-	-
Borrowings (Other than Debt Securities)	-	-	-
As at 31st March, 2019			
Cash and cash equivalents	4	-	4
Loans	-	-	-
Borrowings (Other than Debt Securities)	20,745	22,673	43,418

Hedged Foreign Currency balances (₹ in Lacs)	Currency	As at 31st March, 2020	As at 31st March, 2019
(i) Borrowings (Other than Debt Securities):	USD	-	20,745
	EUR	-	22,673

Foreign currency sensitivity

Foreign Currency Sensitivities (impact on increase in 2%)

Currency	As at 31st March, 2020	As at 31st March, 2019
USD	-	(415)
EUR	-	(453)

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.

Note: If the rate is decreased by 2%, profit of the Company will increase by an equal amount.

ii. Interest rate risk

Post transfer of business under slump exchange, the Company is not having floating interest rate loan. 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 when the company lends funds at floating interest rates.

Interest Rate Exposure (₹ in Lacs)

As at 31st March, 2020	IND	Euro	USD	Total
Financial Assets				
Loans	-	-	-	-
Financial Liabilities				
Borrowings (Other than Debt Securities)	-	-	-	-
Subordinated Liabilities	-	-	-	-
As at 31st March, 2019				
Financial Assets				
Loans	7,76,389	-	-	7,76,389
Financial Liabilities				
Borrowings (Other than Debt Securities)	8,40,071	22,673	20,745	8,83,489
Subordinated Liabilities	10,000	-	-	10,000

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 2%)

Currency	As at 31st March, 2020	As at 31st March, 2019
INR	-	(1,074)
EURO	-	(453)
USD	-	(415)

Figures in brackets indicate decrease in profit

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.

Note: If the rate is decreased by 2%, profit of the Company will increase by an equal amount.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit & Loss/ fair value through Other Comprehensive Income as at 31st March, 2020 is ₹ 6,921 Lacs (31st March, 2019: ₹ 22,451 Lacs)

A 10% change in equity prices of such securities held as at 31st March, 2020 and 31st March, 2019, would result in an impact of ₹ 692 Lacs, and ₹ 2,245 Lacs respectively.

NOTES TO FINANCIAL STATEMENTS (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.

Liquidity risk management (based on commercial terms):

(₹ in Lacs)

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
A: Financial assets										
i) Cash and Cash Equivalents	1	1,077	-	-	1,078	-	9,100	-	-	9,100
ii) Bank Balance other than (i) above	36	37	230	-	303	52	515	10,791	446	11,804
iii) Derivative Financial Instruments	-	-	-	-	-	2,526	-	-	-	2,526
iv) Trade & Other Receivables		2,971			2,971	-	18,777	-	-	18,777
v) Loans *	-	-	-	-	-	-	1,64,612	1,32,453	7,39,224	10,36,289
vi) Investments	-	1,425	5,496	3,49,073	3,55,994	-	7,817	75,202	3,42,820	4,25,839
vii) Other Financial Assets	-	8	49	80	137	-	229	40,513	5,220	45,962
Total	**37**	**5,518**	**5,775**	**3,49,153**	**3,60,483**	**2,578**	**2,01,050**	**2,58,959**	**10,87,710**	**15,50,297**
B: Financial liabilities										
i) Derivative Financial Instruments	-	-	-	-	-	423	-	-	-	423
ii) Trade Payables	-	337	-	-	337	-	1,320	-	-	1,320
iii) Borrowings	-	36,264	12,162	33,000	81,426	-	1,96,672	2,28,648	8,26,167	12,51,487
iv) Lease Liabilities	-	173	498	1,600	2,271	-	-	-	-	-
v) Other Financial Liabilities	36	875	55	358	1,324	302	2,844	761	10	3,917
Total	**36**	**37,649**	**12,715**	**34,958**	**85,358**	**725**	**2,00,836**	**2,29,409**	**8,26,177**	**12,57,147**

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the company, amounting to ₹ Nil (Previous year: ₹ 365,832 Lacs), which have been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
Loans	-	-	-	-	-	-	95,404	1,11,827	1,58,601	3,65,832
	-	**-**	**-**	**-**	**-**	**-**	**95,404**	**1,11,827**	**1,58,601**	**3,65,832**

c) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company conducts an industry analysis to determine the risk level of each industry which the Company is exposed to. The company also performs portfolio analysis to analyze the correlations between different exposures, assess risk at an overall portfolio, and assess concentration risks in the portfolio. The company also conducts stress testing at portfolio level to assess the impact on stress situations on the Company's portfolio. The corrective action taken by the Company includes obtaining collaterals which are easy to liquidate, which have high marketability and re-sale value.

d) Public disclosure on liquidity risk as on 31st March, 2020 as per RBI Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 4, 2019.

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	10	80,237	N.A.	79%

(ii) Top 20 large deposits (Amount: Nil ; and % of total deposits: NA)

(iii) Top 10 borrowings (Amount: ₹ 80,237 Lacs; and % of total borrowings: 99%)

(iv) Funding Concentration based on significant instrument/product

No.	Name of the instrument/ product	Amount (₹ in Lacs)	% of Total Liabilities
1	Commercial Paper	39,263	39%
2	Subordinated Perpetual debentures (Tier I Capital)	36,075	35%
3	Inter Corporate Deposits	6,088	6%

(v) Stock Ratios:

No.	Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
(a)	Commercial papers	48%	39%	10%
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-
(c)	Other short-term liabilities	15%	12%	3%

(vi) Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee, to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management.

e) Risk concentrations

The principal business of the Company was to provide financing in the form of loans to its clients for various infrastructure and allied purposes. Post the transfer of Lending Business, Interest Earning Business & Lease Business (""Transferred Undertaking"") together with associated employees, assets and liabilities of Srei Infrastructure Finance Limited (SIFL) into Srei Equipment Finance Limited (SEFL) as a going concern basis by way of slump exchange w.e.f. from October 1, 2019, the new business of SIFL is largely predicated on Infrastructure Advisory, Financial Solutions Advisory and Fee Based Business.

Credit Risk is the risk of loss that occurs when a borrower or counterparty fails to meet its obligations in accordance with agreed terms, thus resulting in financial loss. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company's credit risk policies are approved by the Board from time to time which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of SIFL was not available and hence ECL for non funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and/or expected realisable value of security / collateral. Additionally, the company may also carry out reviews for specifically identified exposures by the management as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Analysis of risk concentration

(₹ in Lacs)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Corporate	Others	Total	Corporate	Others	Total
Loan Assets	-	-	-	8,86,354	67,366	9,53,720

36. Transfers of financial assets

Transfers of financial assets that are not derecognised in their entirety :

Assignment of Non-Performing Loan Assets to Asset Reconstruction Company (ARC):

During the previous year i.e. year ended 31st March, 2019, the company has carried out an assignment transaction wherein it has assigned Non-Performing Loan Accounts to an Asset Reconstruction Company by transferring the loan assets to a Special Purpose Entity and subscribed to 85% of the total value of security receipts issued by the Trust. Further, the returns from the Security Receipts (SRs) were dependent on the realisation from the assigned loan assets, leading to company bearing the risk of non-realisation from the pool to the extent of its investment in Security Receipts. During the year, outstanding SRs having face value of ₹ 20,400 Lacs were transferred under slump exchange (Refer Note No. 32).

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.

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying amount of assets	-	20,400
Carrying amount of associated liabilities	-	-
Fair value of assets	-	20,400
Fair value of associated liabilities	-	-

37. Assets obtained by taking possession of collateral

The Company has not obtained any non-financial assets during the current and previous year by taking possession of assets held as security against loans or third party security.

38. Disclosure pursuant to Ind AS 19 - Employee Benefits

Defined contribution plans

The Company has recognised, in Statement of Profit and Loss for the year ended 31st March, 2020 an amount of ₹ 118 Lacs (Previous year ₹ 166 Lacs) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Company makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the company. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Company have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

Risk Management

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

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined 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 31st March, 2020.

38.1 Particulars in respect of employee benefits of the Company are as follows :-

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Change in the defined benefit obligation				
Present Value of Obligation at the Beginning of the Year	333	260	226	181
Current Service Cost	43	51	38	28
Interest Cost	17	19	11	10
Past Service Cost - Plan Amendements	-	-		-
Acquisitions Cost / credit	(165)	-	(88)	-
Actuarial (gain)/loss	(51)	10	(28)	96
Benefits paid	(56)	(7)	(81)	(89)
Present Value of Obligation at the end of the Year	**121**	**333**	**78**	**226**
Change in plan assets				
Fair value of Plan Assets at the Beginning of the Year	54	80	NA	NA
Expected return on Plan Assets	1	(19)	NA	NA
Acquisitions Cost/credit		-	NA	NA
Contributions by the Employer	103	-	NA	NA
Benefits paid	(56)	(7)	NA	NA
Fair value of Plan Assets at the end of the Year	**102**	**54**	**-**	**-**

Basis used to determine the Expected Rate of Return on Plan Assets

The expected return on plan assets is determined based on government bond rate.

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Amount recognised in Balance Sheet consists of:				
Fair value of Plan Assets at the end of the Year	102	54	-	-
Present Value of Obligation at the end of the Year	121	333	78	226
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	19	279	78	226

Description	Gratuity		Leave	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
Expenses recognised in the statement of profit and loss consists of:				
Employee benefits expenses:				
Current Service cost	43	51	38	28
Past Service Cost - Plan Amendements	-	-		-
Net Interest cost	11	14	11	10
Net Actuarial (gain)/loss	-	-	(28)	96
Total [A]	**54**	**65**	**21**	**134**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	(26)	6	-	-
Actuarial (Gain) / Loss from financial assumptions	(25)	4	-	-
Return on plan assets (excluding amounts included in net interest cost)	5	25	-	-
Total [B]	**(46)**	**35**	**-**	**-**
Expense recognised during the year [A+B]	**8**	**100**	**21**	**134**

38.2 Particulars of Investment Details of Plan Assets are as follows :- (₹ in Lacs)

Description	Gratuity		Leave	
	% Invested		% Invested	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Investment Details of Plan Assets				
Schemes of insurance- conventional products	100%	100%	Not Applicable	
Total	**100%**	**100%**		

38.3 Principal Assumptions used are as follows: (₹ in Lacs)

Discount rate per annum	6.70%	7.50%	6.70%	7.50%
Salary escalation rate per annum	5.00%	10.00%	5.00%	10.00%

38.4 The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

38.5 Sensitivity Analysis

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

Description	As at 31st March, 2020				As at 31st March, 2019			
	Gratuity		Leave		Gratuity		Leave	
	%	₹ in Lacs	%	₹ in Lacs	%	₹ in Lacs	%	₹ in Lacs
Discount Rate + 100 basis points	-8.0%	(10)	-6.6%	(5)	-11.1%	(37)	-11.2%	(25)
Discount Rate - 100 basis points	9.3%	11	7.5%	6	13.2%	44	13.3%	30
Salary Increase Rate + 1%	6.4%	8	7.6%	6	6.6%	22	12.9%	29
Salary Increase Rate – 1%	-6.1%	(7)	-6.8%	(5)	-6.8%	(23)	-11.0%	(25)

38.6 Maturity Analysis of The Benefit Payments

(₹ in Lacs)

Expected payment for future years	As at 31st March, 2020		As at 31st March, 2019	
	Gratuity	Leave	Gratuity	Leave
Year 1	3	3	6	4
Year 2	7	3	8	3
Year 3	26	32	13	3
Year 4	13	5	36	20
Year 5	5	2	36	5
Next 5 Years	95	41	202	45

38.7 Weighted average duration of defined benefit obligations: 9 years (Previous year: 13 years).

39. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

Related Parties

Holding Company:	Country of Origin
Adisri Commercial Private Limited	India
Subsidiary of Holding Company:	
Srei Factors Private Limited (w.e.f. 02.01.2019)	India
Subsidiaries & Step-down Subsidiaries:	
Srei Capital Markets Limited	India
Trinity Alternative Investment Managers Ltd. (Formerly Srei Alternative Investment Managers Limited)	India
Controlla Electrotech Private Limited	India
Srei Mutual Fund Asset Management Private Limited	India
Srei Mutual Fund Trust Private Limited	India
Srei Insurance Broking Private Limited	India
Bengal Srei Infrastructure Development Limited	India
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
Cyberabad Trustee Company Private Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)	India
Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to be a sub- subsidiary w.e.f 31.03.2019)	India
Quippo Energy Limited (ceased to be a subsidiary w.e.f 28.03.2019)	India
Srei Finance Limited (Formerly Srei Asset Finance Limited)	India
Srei Equipment Finance Limited	India

39. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures" (contd....)

Related Parties	Country of Origin
Associates & Related Subsidiaries:	
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	India
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	India
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
AO International Infrastructure Services, Russia (Formerly AO Srei Leasing, Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
Sahaj Retail Limited (Subsidiary of E Village Kendra Limited)	India
Rural Innovation Labs Pvt. Ltd (ceased to be Subsidiary of E Village Kendra Limited w.e.f. 01.10.2018)	India
Trusts:	
Srei Mutual Fund Trust	India
Others :	
Srei Infrastructure Finance Limited Employees Gratuity Fund	

Key Management Personnel (KMP):

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Sameer Sawhney (upto 05.09.2018)	Chief Executive Officer
Mr. Rakesh Kumar Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer
Mr. Sandeep Lakhotia	Company Secretary
Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Financial Officer
Mr. Sanjeev Sancheti (from 28.04.2018 to 19.05.2019)	Chief Strategy Officer
Mr. Chandrasekhar Mukherjee#	Group Chief People Officer
Mr. Samir Kumar Kejriwal#	Senior Vice President
Mr. Debashis Ghosh#	Internal Auditor
Mr. Shashi Bhushan Tiwari (w.e.f. 20.05.2019)	Chief Risk Officer
Mr. Malay Mukherjee	Independent Director
Mr. Srinivasachari Rajagopal	Independent Director
Mr. Shyamalendu Chatterjee	Independent Director
Dr. Punita Kumar Sinha	Independent Director
Mr. Ram Krishna Agarwal	Independent Director
Mr. Sunil Kanoria	Vice Chairman (Non Executive Director)
Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Independent Director
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018 upto 13.11.2019))	Non Executive & Non Independent Director

#Designated as KMP from 28.04.2018 to 03.02.2019

NOTES TO FINANCIAL STATEMENTS (contd.)

39. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures (contd....)

Details of Related Party Transactions: (₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2020	Balance As at 31st March, 2020	For the Year ended 31st March, 2019	Balance As at 31st March, 2019
(A) Holding Company :					
Adisri Commerical Private Limited	Dividend Paid	-	-	1,518	-
(B) Subsidiaries:					
Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	Refund of Advance Given	100	-	250	-
	Loan Advanced	-	-	700	700
	Interest Received on Loan	33	-	62	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	15
Bengal Srei Infrastructure Development Limited	Loan Advanced	-	-	44	145
	Refund of Loan Advanced	48	-	34	-
	Interest Received on Loan	9	-	18	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	1
Srei Mutual Fund Asset Management Private Limited	Deposits Received	1,115	1,097	1,314	1,198
	Deposits Refunded	1,216	-	1,174	-
	Interest Paid on Deposits	106	-	105	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	32	-	1
Srei Mutual Fund Trust Private Limited	Subscription to Share Warrant	-	-	20	-
	Advance Given	4	4	-	-
	Interest on Advance Given	0.07	-	-	-
	Share Warrant Redeemed	-	-	6	-
	Refund of Advance Given	-	-	3	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	0.06	-	-
Controlla Electrotech Private Limited	Interest Income on Financial Assets measured at amortised cost	-	-	40	-
	Fair value gain on financial assets	-	-	1,657	-
	Interest Paid on Deposits	0.14	-	-	-
	Security Deposit Refund Received	-	-	2,400	-
	Deposits Received	45	45	-	-
	Property mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible debentures of its Holding Company	-	-	-	70
	Collateral security against Secured Redeemable Non-Convertible debentures of its Holding Company closed on repayment	-	-	6,000	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	0.13	-	-

39. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures (contd....)

Details of Related Party Transactions (contd...) (₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2020	Balance As at 31st March, 2020	For the Year ended 31st March, 2019	Balance As at 31st March, 2019
(B) Subsidiaries: (contd..)					
Srei Capital Makerts Limited	Deposits Received	145	-	550	505
	Deposits Refunded	650	-	45	-
	Interest Paid on Deposits	10	-	19	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	-	-	0.27
Srei Insurance Broking Private Limited	Rental Received	7	-	11	-
	IT Support Serviecs	48	-	-	-
	Reimbursement of cost	133	-	-	-
	Deposits Received	710	411	200	200
	Deposits Refunded	499	-	-	-
	Subscription to Equity Shares	10	-	-	-
	Refund of Loan Advanced	-	-	100	-
	Interest Received on Loan	-	-	3	-
	Interest Paid on Deposits	26	-	2	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	5	-	1
Quippo Energy Limited (ceased to be a subsidiary w.e.f. 28.03.2019)	Loan Advanced	-	-	5,200	-
	Refund of Loan Advanced	-	-	9,223	-
	Sale of Assets	-	-	366	-
	Purchase of Assets	-	-	194	-
	Rental Received	-	-	84	-
	Interest Received on Loan	-	-	345	-
	Financial Guarantee Income	-	-	8	-
	Put Option to Bank against loan facility closed	-	-	3,350	-
	Commitment against credit facility closed	-	-	4,881	-
Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)	Loan Advanced	-	-	14,675	-
	Refund of Loan Advanced	-	-	16,225	-
	Rental Received	-	-	763	-
	Interest Received on Loan	-	-	758	-
	Financial Guarantee Income	-	-	89	-
	Financial Guarantee Expenses	-	-	10	-
	Financial Guarantee Fees Received	-	-	58	-
	Corporate Guarantee Closed	-	-	16,541	-
Srei Equipment Finance Limited	Security Deposit Received	5,000	-	-	-
	Security Deposit Refunded	5,000	-	1,576	-
	Advisory Fees Received	900	-	-	-
	Reimbursement of cost	299	-	-	-
	Rental Received	1,240	-	413	-
	Loan Received	30,014	-	-	-
	Refund of Loan Received	30,014	-	-	-
	Loan Advanced	31,408	-	-	-

NOTES TO FINANCIAL STATEMENTS (contd.)

39. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures (contd....)

Details of Related Party Transactions (contd...)

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at
		31st March, 2020		31st March, 2019	
Srei Equipment Finance Limited	Refund of Loan Advanced	31,408	-	-	-
	Interest Paid on Advance	76	-	-	-
	Interest Received on Loan	254	-	-	-
	Transfer of Net Assets under Slump exchange in consideration of Equity Shares	97,412	-	-	-
	Assignment of Loan Receivable	-	-	6,500	-
(C) Associates:					
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	Loan Advanced	-	-	2,787	14,878
	Refund of Loan Advanced	14,878	-	-	-
	Rental Received	-	-	85	148
	Purchase of Services (Excluding Tax)	68	-	13	155
	Sale of Receivables	-	-	-	-
	Interest Received on Loan	323	-	1,242	-
	Interest Paid on Margin Money	-	-	12	-
	Financial Guarantee Income	84	-	32	-
	Financial Guarantee Expenses	4	-	8	-
	Deposit Received	-	-	770	152
	Deposit Refunded	152	-	618	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	4
	Financial Guarantee Contract Liability	-	-	-	84
	Corporate Guarantee to the extent of facility outstanding [Guarantee Amount ₹ Nil, 31 March, 2019: ₹ 9,544 Lacs]	-	-	-	407
	Put Option to Bank against loan facility outstanding [Put Option Amount - ₹ Nil, 31st March, 2019: ₹ 1,500 Lacs)	-	-	-	1,193
	Guarantee of Put option against Loan facility closed	1,500	-	1,000	-
	Corporate Guarantee Closed	9,544	-	-	-
	Commitment against credit facility closed	-	-	380	-
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	Interest Received on Loan	-	-	1	-
Rural Innovation Labs Pvt. Ltd (ceased to be Subsidiary of Sahaj e-Village Ltd. w.e.f. 01.10.2018)	Loan Advanced	-	-	110	-
	Refund of Loan Advanced	-	-	500	-
	Interest Received on Loan	-	-	28	-

39. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures (contd....)

Details of Related Party Transactions (contd...) (₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2020	Balance As at 31st March, 2020	For the Year ended 31st March, 2019	Balance As at 31st March, 2019
(D) Remuneration to Key Management Personnel (KMP):					
Mr. Hemant Kanoria	Remuneration	247	-	247	-
	Commission	-	-	-	-
	Dividend Paid	-	-	4	-
Mr. Sandeep Lakhotia	Remuneration	94	-	95	-
	Dividend Paid	-	-	3	-
Mr. Sameer Sawhney (upto 05.09.2018)	Remuneration	-	-	66	-
Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Remuneration	312	-	159	-
Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Remuneration	79	-	67	-
Mr. Sanjeev Sancheti (from 28.04.2018 to 19.05.2019)	Remuneration	20	-	152	-
	Dividend Paid	-	-	3	-
Mr. Chandrasekhar Mukherjee (from 28.04.2018 to 03.02.2019)	Remuneration	-	-	207	-
Mr. Samir Kumar Kejriwal (from 28.04.2018 to 03.02.2019)	Remuneration	-	-	39	-
	Dividend Paid	-	-	0.04	-
Mr. Debashis Ghosh	Dividend Paid	-	-	0.14	-
Mr. Shashi Bhushan Tiwari (w.e.f. 20.05.2019)	Consultancy	53	-	-	-
Mr. Sunil Kanoria	Commission Paid	-	-	8	8
	Dividend Paid	-	-	18	-
	Sitting Fees	11	-	11	-
Mr. Malay Mukherjee	Commission Paid	-	-	8	8
	Sitting Fees	8	-	8	-
Mr. S.Rajagopal	Commission Paid	-	-	8	8
	Sitting Fees	8	-	9	-
Mr. S.Chatterjee	Commission Paid	-	-	8	8
	Sitting Fees	11	-	14	-
Dr. Punita Kumar Sinha	Commission Paid	-	-	8	8
	Sitting Fees	7	-	8	-
Mr. Ram Krishna Agarwal	Commission Paid	-	-	8	8
	Sitting Fees	7	-	7	-
Dr. Tamali Sengupta	Sitting Fees	5	-	1	-
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Sitting Fees	4	-	4	-
	Consultancy	134	-	70	-
	Loan Advanced	-	-	75	75
	Refund of Loan Advanced	75	-	-	-
	Interest Received on Loan	9	-	-	-

39. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures (contd....)

Details of Related Party Transactions (contd...)

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2020	Balance As at 31st March, 2020	For the Year ended 31st March, 2019	Balance As at 31st March, 2019
(E) Transaction with Relative of KMP:					
Mr. Anant Raj Kanoria (Son of Mr. Sunil Kanoria)	Consultancy	-	-	6	-
(F) Others :					
Srei Infrastructure Finance Limited Employees Gratuity Fund	Contribution towards Gratuity	103	-	-	-

(G) Compensation to KMPs:

(₹ in Lacs)

Particulars	2019-20	2018-19
Short-term benefit	938	1,127
Other long-term employee benefit	35	55
Post-employment benefit	50	62

(H) The remuneration paid by the Company to its Chairman during the year is in excess of the limits laid down under Section 197 of the Act, for which the Company will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

40. Details of Loans/ Advances to Subsidiary Companies and Associates

(₹ in Lacs)

Name of the Company $	Maximum Amount Outstanding during		Amount Outstanding as at 31st March,*	
	2019-20	2018-19	2020	2019
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	14,878	14,927	-	14,726
Rural Innovation Labs Pvt. Ltd (ceased to be a Subsidiary of E Village Kendra Limited w.e.f. 01.10.2018)	-	514	-	-
Bengal Srei Infrastructure Development Limited	149	145	-	145
Controlla Electrotech Private Limited	-	2,400	-	-
Trinity Alternative Investment Managers Ltd. (Formerly Srei Alternative Investment Managers Limited)	715	700	-	698
Quippo Energy Pivate Ltd (ceased to be a subsidiary w.e.f. 28.03.2019)	-	5,321	-	-
Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f. 31.03.2019)	-	14,989	-	-
Srei Insurance Broking Private Limited	3	100	-	-
Srei Mutual Fund Trust Private Limited	4	-	4	-
Srei Equipment Finance Limited	26,621	-	-	-

*Refer Note No. 39

$ Subsidiary and Associates are as per Ind AS.

41. LEASES

a. In the capacity of Lessee

The Company has adopted Ind AS 116 “Leases” effective from 1st April, 2019 which resulted in recognition of Right-of-use Assets and Lease Liability each amounting to ₹ 2,729 Lacs as at 1st April, 2019. Accordingly, the comparative figures have not been retrospectively restated or adjusted. During the current year, the nature of expenses in respect of operating leases, where the Company is lessee, has changed from lease rent in previous periods to depreciation cost for the Right-of-use Assets and finance cost for interest accrued on Lease Liability. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31st March, 2019. Due to the adoption of Ind AS 116, the profit for the year ended 31st March, 2020 has decreased by ₹110 Lacs.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
   (i) The Company has certain cancellable operating lease arrangements for office premises, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals.
   (ii) The Company had no non-cancellable operating lease arrangements for office premises during current and previous year.
   (iii) Disclosure in accordance to IndAS 116 is as below: (₹ in Lacs)

No.	Particulars	19-20	18-19
a	Short term lease payment	-	#
b	Expense relating to leases of low-value assets	-	
c	Variance lease payments not included in the measurement of lease liability	-	
d	Income from subleasing right of use assets	688	
e	Total Cash outflow for leases	712	
f	Interest expense on Lease liability	270	

IndAS 116 is applicable w.e.f. 01.04.2019, therefore, figure of previous year is not available on similar basis.

g) The future lease payments considered for lease liability on an undiscounted basis are as follows: (₹ in Lacs)

Particulars	As at 31st March, 2020
Less than one year	686
One to five years	2,076
More than five years	91
Total	**2,853**

h) Details of right of use assets and its movement is as below: (₹ in Lacs)

Particulars	As at 1st April, 2019	Additions	Adjustment	As at 31st March, 2020
Office Premises:				
Right of use Assets	2,729	-	37	2,692
Accumulated Depreciation/ Amortisation	-	537	5	532
Net Carrying amount				**2,160**

i) The weighted average incremental borrowing rate applied to lease liability is as at 1st April, 2019 is 11.50%.

NOTES TO FINANCIAL STATEMENTS (contd.)

b. In the capacity of Lessor

(i) The Company has given assets on Operating lease (refer Note No. 12) for periods ranging between 5 to 15 years. All the agreements were cancellable, Some of these lease agreements stipulate rental computation on the basis of earnings of the Lessee. These assets were transferred during the year under slump exchange.

(ii) The Company also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms.

(iii) Details of rental income towards operating lease for assets and office premises including sublease are as follows:

(₹ in Lacs)

Particulars	19-20	18-19
Rental Income on the basis of earnings of the Lessee	456	850
Others	1,459	1,768
Total Rental Income	**1,915**	**2,618**

Out of above, Rental income related to discountinued operations is ₹ 479 Lacs (Previous year ₹ 900 Lacs).

(iv) Details of fixed future lease receivable towards operating lease for assets and office premises are as follows: (₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within 1 year	985	1,006
1-2 year	257	334
2-3 year	160	279
3-4 year	-	186
Total	**1,402**	**1,805**

42. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lacs)

Assets	As at 31st March, 2020			As at 31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	1,078	-	1,078	9,100	-	9,100
Bank Balance other than above	303	-	303	11,358	446	11,804
Derivative Financial Instruments	-	-	-	2,526	-	2,526
Trade Receivables	2,389	-	2,389	16,957	-	16,957
Other Receivables	-	-	-	-	-	-
Loans *	-	-	-	2,88,962	6,64,758	9,53,720
Investments	6,921	3,48,380	3,55,301	83,019	3,35,189	4,18,208
Other Financial Assets	57	80	137	40,742	5,220	45,962
Current Tax Assets (Net)	14,454	-	14,454	13,749	-	13,749
Deferred Tax Assets (Net)	-	-	-	-	1,731	1,731
Property, Plant and Equipment	-	9,865	9,865	-	49,900	49,900
Right to use assets	-	2,160	2,160	-	-	-
Capital Work-in-Progress	-	-	-	-	489	489
Other Intangible Assets	-	6	6	-	34	34
Other Non-Financial Assets	332	37	369	27,348	6,266	33,614

42. Maturity analysis of assets and liabilities (contd..)

(₹ in Lacs)

Liabilities	As at 31st March, 2020			As at 31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	-	-	-	423	-	423
Trade Payables	337	-	337	1,320	-	1,320
Debt Securities	-	-	-	83,641	83,468	1,67,109
Borrowings (Other than Debt Securities)	45,351	-	45,351	3,13,968	6,23,260	9,37,228
Subordinated Liabilities	3,075	33,000	36,075	26,720	1,17,519	1,44,239
Lease Liabilities	671	1,600	2,271	-	-	-
Other Financial Liabilities	966	358	1,324	3,907	10	3,917
Provisions	123	19	142	327	279	606
Deferred Tax Liabilities (Net)	-	15,716	15,716	-	-	-
Other Non-Financial Liabilities	579	-	579	2,607	1,637	4,244

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the company, amounting to ₹ Nil (Previous year ₹ 365,832 Lacs), which have been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Assets	As at 31st March, 2020			As at 31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Loans	-	-	-	2,07,231	1,58,601	3,65,832

43 Information as required by Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure – I attached herewith. These disclosures are prepared under Ind AS issued by MCA.

44 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets and slowdown in economic activities. On 24th March, 2020, the Indian Government announced a strict 21-day lock-down, which has been extended from time to time and which is still continued to be extended with or without relaxations across the country based on severity of the spread at local levels. The impact of COVID-19 pandemic will be long lasting on the business of the Company, the investments in subsidiaries, and the operations and business of its Subsidiaries & depend on the future developments, which are not ascertainable at this point of time.

45 Disclosure as per the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards'.

A comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') and impairment allowances made under Ind AS 109 is given below:

(₹ in Lacs)

Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3+4	6	7=4-6
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms*	Stage 1	-	33	(33)	-	33
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	33	(33)	-	33
Total	**Stage 1**	**-**	**-**	**-**	**-**	**-**
	Stage 2	**-**	**33**	**(33)**	**-**	**33**
	Stage 3	**-**	**-**	**-**	**-**	**-**
	Total	**-**	**33**	**(33)**	**-**	**33**

* In accordance to IndAS 109, Financial guarantees are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS115. Therefore, impairment provision on financial guarantee is disclosed as part of Financial Guarantee Liability under Note no. 18 'Other Financial Liabilities' to the financial statement.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Company measures the loss allowance under simplified approach as specified in IndAS 109, wherein staging is not required. Therefore, same is not considered in above disclosure.

46 Disclosure as per the RBI circular no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April, 2020 on "COVID 19 Regulatory Package - Asset Classification and Provisioning"

Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not having Loans (Assets) as at 31st March, 2020. Therefore, there is no case of moratorium on Loans (Assets).

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

As per our report of even date attached.

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm registration number: 103523W/W100048

For and on behalf of the Board of Directors

Manoj Daga
Partner
Membership No.: 048523

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Mumbai, 28th July, 2020

Kolkata, 28th July, 2020

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ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS Refer Note No. 43

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

1 Capital to Risk Assets Ratio (CRAR)

(₹ in Lacs)

Sl No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
i)	CRAR (%)	21.37	15.57
ii)	CRAR – Tier I Capital (%)	21.37	10.79
iii)	CRAR – Tier II Capital (%)	-	4.78
iv)	Amount of subordinated debt raised as Tier-II capital *	-	-
v)	Amount raised by issue of Perpetual Debt Instruments *	1,000	32,000

* During the year figure

2 Exposure to Real Estate Sector

(₹ in Lacs)

Category	As at 31st March, 2020	As at 31st March, 2019
a) Direct exposure		
i) Residential Mortgages	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
iv) Infrastructure Real Estate (SEZ's, Industrial Parks, IT Parks, Hotels)*	-	1,54,936
b) Indirect exposure	329	484

* Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not having Loans (Assets) as at 31st March, 2020.

ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS Refer Note 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

3 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March, 2020 are as follows:

(₹ in Lacs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits (Unclaimed)	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments [refer note-1 below]	1,425	-	-	-	-	5,496	-	34,956	-	3,13,424	3,55,301
Borrowings (refer note-2 & 3 below)	2,990	-	85	24,753	8,436	7,517	4,645	-	-	-	48,426
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

Note :

1) The maturity pattern of Investments has been considered on the basis of Managements best estimates.

2) The amount of Advance and Borrowings considered above is as per commercial terms & without adjusting origination fees or cost being part of EIR.

3) Perpetual Debt Instruments amounting to ₹ 33,000 Lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

4) The Company has tied up sources to the tune of ₹ 45,000 Lacs after 31st March, 2020, to meet the fund requirement.

ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS Refer Note 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

3 Asset Liability Management (contd...)

Maturity pattern of certain items of assets and liabilities as at 31st March, 2019 are as follows:

(₹ in Lacs)

Particulars	Upto 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits (Unclaimed)	1	-	-	-	-	-	-	-	1
Advances (refer note-1, 4 & 6 below)	49,997	63,920	76,885	42,914	1,19,073	2,26,437	4,09,639	1,22,419	11,11,284
Investments [refer note-2 below]	-	-	7,817	-	75,202	15,275	18,450	3,01,464	4,18,208
Borrowings (refer note-3, 4 & 5 below)	48,827	60,109	73,753	41,993	1,77,929	3,22,135	3,42,023	1,06,016	11,72,785
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities (refer note-4 below)	-	-	2,134	512	2,646	5,928	9,662	4,831	25,713

Note :

1) Advances represent the maturity pattern of gross loan assets, assets acquired in satisfaction of debt and rentals on operating lease assets

2) The maturity pattern of Investments has been considered on the basis of Managements best estimates.

3) The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in ratio of the maturity pattern of Advances.

4) The amount of Advance and Borrowings considered above is as per commercial terms & without adjusting origination fees or cost being part of EIR.

5) Perpetual Debt Instruments amounting to ₹ 32,000 Lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

6) The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the company, amounting to ₹ 365,832 Lacs, which have been considered in "Advances" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Particulars	Upto 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Advances	-	43,700	51,704	19,605	92,222	1,40,869	17,732	-	3,65,832

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Lacs)

Liabilities Side:	As at 31st March, 2020		As at 31st March, 2019	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
4. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
a. Debentures/ Bonds:				
Secured	-	-	1,67,358	249 #
Unsecured (Other than falling within the meaning of public deposit)	36,075	-	1,29,196	-
b. Deferred Credits	-	-	-	-
c. Term Loans	-	-	2,30,612	-
d. Inter-corporate loans and borrowing	6,088	-	6,980	-
e. Commercial Papers	39,263	-	51,192	-
f. Public Deposit* (refer Note No. 18.2 of the Notes to the Financial Statements)	-	-	1	1 #
g. Other Loans:				
Working capital facility	-	-	6,63,487	79 ##
Break-up of (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)				
a. In the form of Unsecured debentures	-	-	-	-
b. In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c. Other public deposits	-	-	1	1 #

* Please see note 1 below
# Represent amounts Unclaimed.
Represent amounts not debited by Bank towards working capital facility under direct debit instructions.

(₹ in Lacs)

Assets Side:	As at 31st March, 2020	As at 31st March, 2019
	Amount Outstanding	Amount Outstanding
5. Break-up of Loans and Advances including bills receivables [other than those included in (6) below]*:		
a. Secured	-	1,018,028@
b. Unsecured	-	2,105@
6. 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	-	-
(b) Operating lease	-	-
ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS Refer Note 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Lacs)

Assets Side:	As at 31st March, 2020	As at 31st March, 2019
	Amount Outstanding	Amount Outstanding
7. 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	-	-
Long-Term investments		
1. Quoted:		
i) Shares: (a) Equity	6,921	22,451
(b) Preference	-	-
ii) Debentures and bonds	-	1,959
iii) Units of mutual funds	0.33	0.04
iv) Government Securities	-	-
v) Others	-	-
2. Unquoted:		
i) Shares: (a) Equity	3,21,720	2,41,545
(b) Preference	-	11,325
ii) Debentures and bonds	-	66,535
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others (Investment in Funds, Trust, Share Warrant & Deemed Investment)	26,660	74,393

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA.

* Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not having Loans (Assets) as at 31st March, 2020.

@ Not include interest accrued for ₹ 14,678 Lacs and ₹ 47 Lacs for secured and unsecured respectively.

ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS Refer Note 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

8. Borrower group-wise classification of assets financed as in (5) and (6) above:

(₹ in Lacs)

	Category	As at 31st March, 2020 Amount net of provisions*			As at 31st March, 2019 Amount net of provisions*@		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties**						
	(a) Subsidiaries	-	-	-	831	-	831
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	14,528	-	14,528
2	Other than related parties	-	-	-	9,21,691	1,944	9,23,635
	Total	**-**	**-**	**-**	**9,37,050**	**1,944**	**9,38,994**

* Please see note 2 below

** As per Ind AS issued by MCA (Please see note 3 below)

@ Not include interest accrued for ₹ 14,678 Lacs and ₹ 47 Lacs for secured and unsecured respectively.

9. Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) @:

(₹ in Lacs)

	Category	As at 31st March, 2020		As at 31st March, 2019	
		Market Value / Break up or fair value or NAV *	Book Value (net of provisions)	Market Value / Break up or fair value or NAV *	Book Value (net of provisions)
1	Related Parties **				
	(a) Subsidiaries	3,94,757	3,13,424	2,93,554	2,16,815
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	9,428	9,158
2	Other than related parties	41,877	41,877	1,92,235	1,92,235
	Total	**4,36,634**	**3,55,301**	**4,95,217**	**4,18,208**

*Break up value have been considered for unquoted equity investment in 'Subsidiaries' and in 'Other related parties', other than those measured at fair value.

** As per Ind AS issued by MCA (Please see note 3 below)

@ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA.

10. Other Information:

(₹ in Lacs)

	Category	As at 31st March, 2020 Amount*	As at 31st March, 2019 Amount
i	Gross Non-Performing Assets $		
	(a) Related Parties	-	-
	(b) Other than related Parties	-	2,38,607
ii	Net Non-Performing Assets $		
	(a) Related Parties	-	-
	(b) Other than related Parties	-	1,84,157
iii	Assets acquired in satisfaction of debt (refer Note No. 9 of the Notes to the Financial Statements)	-	22,785

$ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

* Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not having Loans (Assets) as at 31st March, 2020.

ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS Refer Note 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Note :

1. As defined in point xxvi of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Ind AS issued by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets acquired in satisfaction of debt.

11. Investments

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Value of Investments		
	i) Gross Value of Investments		
	a) In India	3,55,994	4,25,839
	b) Outside India	-	-
	ii) Provisions for Depreciation		
	a) In India	693	7,631
	b) Outside India	-	-
	iii) Net Value of Investments		
	a) In India	3,55,301	4,18,208
	b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	i) Opening Balance	7,631	4,593
	ii) Add : Provisions made during the year	2,652	3,038
	iii) Less : Write-off / write-back of excess provisions during the year #	9,590	-
	iv) Closing Balance	693	7,631

Represent provision transferred alongwith cost amount of investment under slump exchange.

12. Forward Rate Agreement / Interest Rate Swap

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2020	As at 31st March, 2019
i)	The notional principle of swap agreements	Nil	16,596
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Nil	Nil
v)	The fair value of the swap book @	Nil	410

@ The fair value is the estimated amount that the Company will receive or pay to terminate the swap agreements as on the balance sheet date.

13. Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2020	As at 31st March, 2019
i)	Notional Principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil	Nil
ii)	Notional Principal amount of exchange traded IR derivatives outstanding (instrument-wise)	Nil	Nil
iii)	Notional Principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

14. Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

The structure and organization for management of risk in derivatives trading, is not applicable since the Company is not engaged in derivative trading.

Besides other market risks / core functions, Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks also. 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.

The Board has delegated authority to company officials in the Forex 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 Market Risk 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.

(ii) Quantitative Disclosures (₹ in Lacs)

Sl.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i	Derivatives (Notional Principal Amount)				
	For hedging	Nil	Nil	41,310	16,596
ii	Marked to Market Positions [1]				
	Asset (+)	Nil	Nil	2,116	410
	Liability (-)	Nil	Nil	(423)	-
iii	Credit Exposure [2]	Nil	Nil	Nil	Nil
iv	Unhedged Exposures	-	-	-	26,821

15. Exposure to Capital Market

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2020	As at 31st March, 2019
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;	3,28,641	3,07,531
ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	20,137
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)	26,630	35,561
	Total Exposure to Capital Market	**3,55,271**	**3,63,229**

ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS Refer Note 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

16. Provisions and Contingencies

(₹ in Lacs)

Sl.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Year ended 31st March, 2020	Year ended 31st March, 2019
	Continuing operations:		
i)	Provisions for depreciation on Investment	693	-
ii)	Provision for Impairment on Loans (refer Note No. 28 of the Notes to the Financial Statements)	-	-
iii)	Provision made towards Income tax	(1,002)	(900)
iv)	Provision for Standard Assets#	-	-
v)	Other Provision and Contingencies (with details)		
	Provision for Impairment on other financial assets	(910)	198
	Discontinued operations (Refer Note 32):		
vi)	Impairment on Financial Instruments (Net)	8,419	16,319
vii)	Provision made towards Income tax	1,639	3,694

Provision for standard assets is included in Provision for Impairment on Loans.

17. Concentration of Advances

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Advances to twenty largest borrowers*	-	6,60,274
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	-	62.86%

* Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not having Loans (Assets) as at 31st March, 2020.

18. Concentration of Exposures

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Exposure to twenty largest borrowers / customers*	-	6,71,756
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	-	45.51%

* Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not having Loans (Assets) as at 31st March, 2020.

19. Concentration of NPAs @

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Exposure to top four NPA accounts*	-	1,17,718

@ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

* Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not having Loans (Assets) as at 31st March, 2020.

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

20. Sector-wise NPAs

(₹ in Lacs)

Sl.	Sector	As at 31st March, 2020	As at 31st March, 2019
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	25.02
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Others	-	0.14

21. Movement of NPAs $

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2020	As at 31st March, 2019
i)	Net NPAs to Net Advances (%)*	-	19.00%
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	2,38,607	2,61,385
	b) Additions during the year	9,342	1,54,558
	c) Reductions during the year #	2,47,949	1,77,336
	d) Closing Balance	-	2,38,607
iii)	Movement of Net NPAs		
	a) Opening Balance	1,84,157	1,41,143
	b) Additions during the year	3,716	1,18,472
	c) Reductions during the year #	1,87,873	75,458
	d) Closing Balance	-	1,84,157
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance	54,450	1,20,242
	b) Provisions made during the year	5,626	36,086
	c) Write-off / write-back of excess provisions #	60,076	1,01,878
	d) Closing Balance	-	54,450

$ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Includes adjustment for assets and provision transferred under slump exchange. Refer note no. 32.

* Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not having Loans (Assets) as at 31st March, 2020.

22. Details of Non-performing Loan Assets purchased from other NBFCs

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2020	As at 31st March, 2019
i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

23. Details of Non-performing Loan Assets sold to other NBFCs

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2020	As at 31st March, 2019
i)	No. of accounts sold	-	-
ii)	Aggregate outstanding	-	-
iii)	Aggregate consideration received	-	-

ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS Refer Note 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

24. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

(₹ in Lacs)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets as on 31st March, 2020	Total Assets as on 31st March, 2019
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	i) Infrastructure Opportunities Singapore Pte. Ltd. (Holding 46.92%) ii) Various other Parties (Holding 3.95%)	Germany	-	3,386

25. Ratings

Sl.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		CARE	Brickwork	CARE	Brickwork
i)	Long Term Banking facilities*	CARE BBB+		CARE A+	
ii)	Short Term Banking Facilities*	CARE A2		CARE A1+	
iii)	Short Term Debt Instruments *@	CARE A2	BWR A1	CARE A1+	BWR A1+
iv)	NCDs / Bonds*	CARE BBB+	BWR A+	CARE A+	BWR AA+
v)	Unsecured Subordinated / Tier-II Debentures / Bonds*	CARE BBB	BWR A+	CARE A	BWR AA+
vi)	Subordinated Perpetual bonds/ debentures (Tier I Capital)		BWR BBB+		

CARE: CARE Ratings Limited; Brickwork: Brickwork Ratings

*Borrowings transferred to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, as part of the business of the Company transferred to SEFL on and from 1st October, 2019 (refer note 32 of Notes to financial statement).

@Other than Commercial Papers.

Detail of migration of ratings:

Sl.	Particulars	2019-20		2018-19
		CARE	Brickwork	CARE & Brickwork
i)	Long Term Banking facilities	from A+ to BBB+	N.A.	Nil
ii)	Short Term Banking Facilities	from A1+ to A2	N.A.	Nil
iii)	Short Term Debt Instruments	from A1+ to A2	from A1+ to A1	Nil
iv)	NCDs / Bonds	from A1+ to BBB+	from AA+ to A+	Nil
v)	Unsecured Subordinated / Tier-II Debentures / Bonds	from A+ to BBB	from AA+ to A+	Nil

26. Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(₹ in Lacs)

Sl.	Particulars	2019-20	2018-19
i)	No. of accounts	-	2
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	38,000
iii)	Aggregate consideration	-	38,000
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / (loss) over net book value	-	-

27. Details of Security receipts held by Company is as below:

(₹ in Lacs)

Particulars	Backed by NPAs sold by the Banks/ FIs/NBFC's as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
Particulars	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Under Investment	-	27,968	-	-	-	27,968
Under Loans	-	20,400	-	-	-	20,400

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

28. Details of Assignment transactions undertaken

(₹ in Lacs)

Sl.	Particulars	2019-20	2018-19
i)	No. of accounts	-	-
ii)	Aggregate value (net of provisions) of accounts sold	-	-
iii)	Aggregate consideration	-	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / (loss) over net book value	-	-

29. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the Prudential exposure limits during the current year and previous year in respect of exposure towards single borrower and group of borrowers.

30. Unsecured Advances

Unsecured advance as at 31st March, 2020 is ₹ Nil (Previous year ₹ 2,105 Lacs) and it includes advances amounting to ₹ Nil (Previous year ₹ Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

31. Registration obtained from other financial sector regulators

The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 1st August, 1998 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 11th May, 2010. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956.

32. Disclosure of Penalties imposed by RBI and other regulators

No penalites has been imposed by RBI and other regulators during the financial year ended 31st March, 2020 and 31st March, 2019.

33. Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 22 of the Notes to the Financial Statements.

34. Off-balance Sheet SPVs sponsored

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Domestic	Overseas	Domestic	Overseas
Name of SPV sponsored	Nil	Nil	Nil	Nil

35. Details of Financing of Parent Company Products

Financing of Parent Company Products during the financial year ended 31st March, 2020 is Nil (Previous year Nil).

36. The Company has not done any Securitisation during the financial year ended 31st March, 2020 and 31st March, 2019.

37. Customer Complaints

Sl.	Particulars	2019-20	2018-19
a)	No. of complaints pending at the beginning of the year	Nil	Nil
b)	No. of complaints received during the year	Nil	Nil
c)	No. of complaints redressed during the year	Nil	Nil
d)	No. of complaints pending at the end of the year	Nil	Nil

38. Disclosures relating to fraud in terms of the notification issued by Reserve Bank of India vide DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17

During the year ended 31st March, 2020, no fraud was committed and reported to the RBI.

INDEPENDENT AUDITOR'S REPORT

To the Members of Srei Infrastructure Finance Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Srei Infrastructure Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and its trust, comprising of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, associate and trust, the aforesaid consolidated 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 including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group, its associate and trust as at 31st March, 2020, their consolidated profit, their other comprehensive income, their consolidated changes in equity and their consolidated 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group, its associate and trust in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and 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 on the consolidated Ind AS 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 consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS 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.

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
1.	**Impairment loss allowance of loans to customers - (as reported in the Independent Auditor's Report of Srei Equipment Finance Limited ('SEFL', a wholly owned subsidiary)) :** Impairment loss allowance of loans and advances ("Impairment loss allowance") is a key audit matter as the subsidiary has significant credit risk exposure. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved for the subsidiary in estimating individual and collective credit impairment provisions and write-offs against these loans. The subsidiary's	**Principal Audit Procedures:** The Principal Auditors have used the work of Component Auditors (we are also the joint auditor of the Component). The Component Auditors have reported that they have followed the following procedures : • Understanding of the internal control environment related to Impairment loss allowance. • Assessing whether the impairment methodology used by the subsidiary is in accordance with the assumptions and methodology approved by the Board of Directors of the subsidiary, which is based on and in compliance with Ind AS 109, "Financial instruments". • Assessing the approach of the subsidiary regarding the definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
	model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.	• Testing the reliability of key data inputs and related management controls. • Checking the stage classification as at the balance sheet date as per definition of default. • Validating the ECL model and calculation. • Calculating the ECL provision manually for a selected sample. • Checking the provision on Loan Assets as per Income Recognition, Asset Classification and Presentation ("IRACP") norms as required under RBI circular dated March 13, 2020. For loans and advances which are written off during the year under audit, reading and understanding the methodology and policy laid down and implemented by the subsidiary in this regard along with its compliance on sample basis.
2.	**Key Information Technology (IT) systems with impact on financial reporting process - (as reported in the Independent Auditor's Report of SEFL, a wholly owned subsidiary) :** The IT systems within the subsidiary form a critical component of the subsidiary's financial reporting activities. It impacts account balances, certain operational and financial processes like revenue recognition on Loans. There is a high dependence on the IT systems due to large volume of transactions that are processed daily	**Principal Audit Procedures:** The Principal Auditors have used the work of Component Auditors (we are also the joint auditor of the Component). The Component Auditors have reported that they have followed the following procedures : Our approach of testing IT General Controls (ITGC) and IT Automated Controls (ITAC) is risk based and business centric. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including: • Testing the ITGC based on the parameters such as Completeness, Validity, Identification/Authentication and Authorisation, Accuracy, Integrity and Accountability. • Reviewing control areas such as User Management, Change Management, Incident Management, Direct Database Update, Job Scheduling, Anti-Virus, Interfaces, Master Maintenance, Job Scheduling, Backup and Restoration, Business Continuity and Disaster Recovery, Capacity Monitoring and Service Level Agreement etc. • Performing tests of controls on sample basis (including other compensatory controls wherever applicable) on the IT application controls and IT Department manual controls in the system. • Testing the control environment using various techniques such as inquiry, review of documentation/ record/ reports, observation and re-performance. • Testing few controls using negative testing technique. We took adequate samples of instances for our tests
3.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 116 "Leases" (new accounting standard)-(reported by us as auditor of Holding Company and in the Independent Auditor's Report of SEFL, a wholly owned subsidiary) :** Ind AS 116 Leases replaces the existing standard Ind AS 17 and specifies how the Holding Company and the subsidiary will	**Principal Audit Procedures:** The audit procedures followed by us and the principal audit procedure reported by the Component Auditors (we are also the joint auditor of the Component) is given below: • Assessed the design and implementation of key controls pertaining to the determination of the Ind AS 116 transition impact disclosures; • Assessed whether the accounting regarding leases is consistent with the definitions of Ind AS 116 including factors such as lease term and measurement principles.

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
	recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Accordingly, the Holding Company and the subsidiary has adopted Ind AS 116 Leases with effect from 01.04.2019. The implementation of Ind AS 116 is considered a key audit matter due to the judgments needed in establishing the underlying key assumptions	• Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the Ind AS 116 calculations for each lease sampled through recalculation of the expected Ind AS 116 adjustment. • Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors. • Considered completeness by testing the reconciliation to the Group's operating lease commitments and by investigating key service contracts to assess whether they contained a lease under Ind AS 116.
4.	**Valuation of unquoted financial assets at fair value - (reported by us as auditor of Holding Company):** The valuation of the Holding Company's unquoted financial assets held at fair value is a key audit matter due to the significance of the amount and complexity involved in the valuation process. Management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations. The valuation of the level 3 investment securities are dependent on market conditions and key assumptions made. The determination of these assumptions is complex and requires the exercise of management judgement.	**Principal Audit Procedures:** We have performed the following audit procedures in order to obtain sufficient audit evidence: • Assessed the valuation methodologies including evaluation of independent external valuers' competence, capability and objectivity. • Assessed the reasonableness of key assumptions based on our knowledge of the business and industry. • Checked, on a sample basis, the accuracy and relevance of the input data used.
5.	**Valuation of unquoted financial assets held at fair value–(as reported in the Independent Auditor's Report of SEFL, a wholly owned subsidiary):** The impairment review of unquoted equity instruments and debt, with a carrying value of ₹ 646.53 crore, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override. The carrying value of such unquoted equity instruments and debt is at risk of recoverability. The fair value of such instruments cannot be readily determined as these are not quoted in the stock exchanges and the net worth of the underlying entities has significantly eroded. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.	**Principal Audit Procedures:** The Principal Auditors have used the work of Component Auditors (we are also the joint auditor of the Component). The Component Auditors have reported that they have followed the following procedures : Besides obtaining an understanding of the subsidiary's management's processes and controls with regard to testing the impairment of the unquoted equity instruments in loss making subsidiaries and joint ventures. Our procedures included the following: • Reviewed the management's underlying assumptions and appropriateness of the valuation model used. • Compared the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. • Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience. • Obtained Valuation Reports from independent valuers on sample basis.

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
6.	**Fair Valuation of Claims Receivables - (as reported in the Independent Auditor's Report of SEFL, a wholly owned subsidiary):** Claims Receivables amounts to ₹ 51,015 Lacs as at 31st March, 2020 and has been recognised as financial assets measured at Fair Value through Profit or Loss in the subsidiary's financial statements. Refer Note No. 8 to the consolidated Ind AS 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.	**Principal Audit Procedures:** The Principal Auditors have used the work of Component Auditors (we are also the joint auditor of the Component). The Component Auditors have reported that they have followed the following procedures : 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. • Evaluating the competencies, capabilities, and objectivity of the external legal counsels.

Emphasis of Matter

We draw attention to the following matters in the notes to the consolidated Ind AS financial statements:

1. We draw attention to Note No. 46 to the consolidated Ind AS financial statements, which explains that the Holding Company has accounted for the slump exchange transaction and consequently de- recognized the relevant assets and, liabilities, income and expenses in its books of account, pursuant to the Business Transfer Agreement ('BTA') with its wholly-owned subsidiary, Srei Equipment Finance Limited, with effect from October 1, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. The consent or otherwise, of other lenders is still awaited. In terms of the BTA, the Holding Company was allotted 1,93,56,415 equity shares of ₹ 10/- each at a premium of ₹ 481/- per share as part of purchases consideration of ₹ 950 Crores and has de-recognised financial assets of ₹ 12,521 Crores, non-financial assets of ₹ 844 Crores, financial liability of ₹ 12,361 Crores and non-financial liability of ₹ 30 Crores as on October 1, 2019. The Holding Company has also taken expert legal and accounting opinions which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework and we have relied on the same.
2. We draw attention to Note No. 47 to the consolidated Ind AS financial statements, which explains that the extent to which COVID -19 pandemic will impact the Holding Company's operations, investments in subsidiaries and financial results is dependent on future developments, which cannot be ascertained at this point of time.
3. We draw attention to Note No. 48 to the consolidated Ind AS financial statements, which has been emphasized by the auditors' of the subsidiary company by stating the following in their audit report:-

   "We draw attention to Note No. 50 to the Ind AS financial statements, which states that the Company has applied for moratorium on borrowings in accordance with COVID-19 Regulatory Package announced by RBI and the approval for the same is under process with a few lenders. In view of this, such deferment of dues has not been considered as default by the Company."

   Ouropinion is not modified in respect of these matters.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Directors' Report including Annexures to Directors' Report and Report on Corporate Governance, but does not include the standalone Ind AS financial statements,consolidated Ind AS financial statements and our auditor's report thereon. The above mentioned other information are expected to be made available to us after the dateof this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated IndAS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements.

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the

Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate and trust in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group, its associate and the trustees of the trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act /other relevant regulations applicable,for safeguarding the assets of the Group, its associate and trust and for preventing and detecting frauds and other irregularities; the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and its associate and the trustees of the trust are responsible for assessing the ability of the Group, its associate and trust 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate and the trustees of the trust are responsible for overseeing the financial reporting process of the Group, its associate and trust.

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

Our objectives are to obtain reasonable assurance about whether the consolidatedInd 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 consolidated 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 consolidated 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements 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 ability of the Group, its associate and trust 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associate and trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associate and trust of which we are the independent aud it or/joint auditor, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditor/joint auditor. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditor and the other entity of which we are the independent joint auditor included in the consolidated Ind AS financial statements 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 consolidated Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other Matters

a) We did not audit the Ind AS financial statements of 10 subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 6,784 Lacs and net assets of ₹ 2,743 Lacs as at 31st March, 2020,total revenues of ₹ 2,288 Lacs and net cash inflows amounting to ₹ 85 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management of the Holding Company and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiariesand our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   The consolidated Ind AS financial statements includes amount in respect of a subsidiary whose Ind AS financial statements reflects total assets of ₹ 37,03,874 Lacs and net assets of ₹ 3,92,022 Lacs as at 31st March, 2020, total revenues of ₹ 5,07,943 Lacs and net cash inflows amounting to ₹ 14,328 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements.This Ind AS financial statements have been audited by us along with other auditor, L.B. Jha & Co., as joint auditors and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of section 143(3) of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the joint auditors.

b) We did not audit the financial statementsof 1 trust whose financial results reflect total assets of ₹ 1 lac and net assets of ₹ Nil as at 31st March, 2020, total revenues of ₹ Nil and net cash inflows amounting to ₹ Nil Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also includes Group's share of net profit of ₹ Nil for the year ended 31st March, 2020, as considered in the consolidated Ind AS financial statements, in respect of 1 associate whose financial statements have not been audited by us. These financial statements are unaudited, have been certified by the trustees of the trust/ management of the associate and furnished to us by the management of the Holding Company and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the trust and the associate and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid trust and the associate is based solely on such unaudited financial statements. In our opinion and according tothe information and explanations given to us by the management of the Holding Company, these financial statements are not material to the Group including its associate and trust.

   The financial statements of a foreign associate company of the Holding Company has been prepared as per IFRS, generally followed in the country of incorporation of the foreign associate company. As explained by the management in Note No.45 of the consolidated Ind AS financial statements, since there are no material differences between such financial statements as per IFRS and as per Ind AS, no adjustments have been considered necessary and it has been relied upon by us.

Our opinion on the consolidated Ind ASfinancial statements and our report on Other Legal and Regulatory Requirements below,is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the unaudited financial statements certified by the management/trustee of the respective entities.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, associate and trust, as noted in the Other Matters section above we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. The matter described under the Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Group, its associate and trust;

f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act;

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";

h. 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:

According to the information and explanations given to us and records of the Holding Company examined by us and the reports of the statutory auditors of its subsidiary companies incorporated in India, the managerial remuneration paid/ provided to the directors during the year by the Holding Company and subsidiary companies incorporated in India is in accordance with the provisions of section 197 of the Act, except for the managerial remuneration paid/ provided to the Chairman of the Holding Company and Chairman, Vice-Chairman & Managing Director of a subsidiary company (i.e. SEFL) incorporated in India, which is in excess of the prescribed limits mandated by this section. The Holding Company and the subsidiary company (i.e. SEFL) has represented that they will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting - refer Note No. 39(F) to the consolidated Ind AS financial statements;

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and trust– Refer Note no.32 to the consolidated Ind AS financial statements;

(ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership No.048523
UDIN: 20048523AAAAAT9126

Place: Mumbai
Date: July 28, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred toin paragraph (g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the consolidatedInd AS financial statements for the year ended 31st March, 2020]

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

In conjunction with our audit of the consolidated Ind AS financial statements of Srei Infrastructure Finance Limited ("Holding Company") as of and for the year ended 31st March, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to ten subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and in relation to one subsidiary company, which is a company incorporated in India, is based on the corresponding report given by us along with other auditor, L.B.Jha & Co., as joint auditors of such company incorporated in India.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership No.048523
UDIN: 20048523AAAAAT9126

Place: Mumbai
Date: July 28, 2020

Consolidated Balance Sheet as at 31st March, 2020

(₹ in Lacs)

Particulars		Note No	As at 31st March, 2020	As at 31st March, 2019
	ASSETS			
(1)	**Financial Assets**			
	(a) Cash and Cash Equivalents	2	40,059	31,293
	(b) Bank Balance other than (a) above	3	1,31,980	1,71,208
	(c) Derivative Financial Instruments	4	29,992	8,242
	(d) Receivables			
	(I) Trade Receivables	5.1	18,148	28,236
	(II) Other Receivables	5.2	-	-
	(e) Loans	6	29,03,182	28,14,403
	(f) Investments	7	1,09,120	2,11,853
	(g) Other Financial Assets	8	93,211	91,876
(2)	**Non-Financial Assets**			
	(a) Inventories		-	-
	(b) Current Tax Assets (Net)	10	20,896	14,109
	(c) Deferred Tax Assets (Net)	11	23,261	19,417
	(d) Investment Property	12	1,765	1,801
	(e) Property, Plant and Equipment	13	3,66,466	5,01,178
	(f) Right-of-use Assets		3,371	-
	(g) Capital Work-in-Progress		233	489
	(h) Goodwill on Consolidation		766	766
	(i) Other Intangible Assets	14	452	570
	(j) Other Non-Financial Assets	9	56,423	1,25,205
	TOTAL ASSETS		**37,99,325**	**40,20,646**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
	(a) Derivative Financial Instruments	4	4,146	5,725
	(b) Payables			
	(I) Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	15	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,13,432	1,68,692
	(c) Debt Securities	16	2,62,725	3,61,352
	(d) Borrowings (Other than Debt Securities)	17	26,84,368	26,69,115
	(e) Subordinated Liabilities	18	2,84,811	3,35,611
	(f) Lease Liabilities		3,563	-
	(g) Other Financial Liabilities	19	30,198	48,856
(2)	**Non-Financial Liabilities**			
	(a) Provisions	20	2,015	2,096
	(b) Other Non-Financial Liabilities	21	11,825	18,069
(3)	(a) **Equity**			
	(b) Equity Share Capital	22	50,309	50,324
	Other Equity	23	3,51,929	3,60,793
	Non-controlling Interests		4	13
	TOTAL LIABILITIES AND EQUITY		**37,99,325**	**40,20,646**
Significant Accounting Policies and Notes to Consolidated Financial Statements.		1 to 49		

The Notes referred to above form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors

Manoj Daga
Partner
Membership No. 048523

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Mumbai, 28th July, 2020

Kolkata, 28th July, 2020

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in Lacs)

	Particulars	Note No	Year ended 31st March, 2020	Year ended 31st March, 2019
	Revenue from Operations			
(i)	Interest Income	24	3,86,823	4,21,368
(ii)	Dividend Income		91	85
(iii)	Rental Income		1,20,710	1,27,989
(iv)	Fees and Commission Income		11,579	11,621
(v)	Net gain on fair value changes	25	37,119	9,274
(vi)	Net gain on derecognition of financial instruments		30,370	7,638
(vii)	Net gain on derecognition of financial instruments under fair value through profit or loss		18,049	28,344
(viii)	Sale of Traded Goods		-	1,081
(ix)	Sale of Services		-	30,519
(x)	Others		6,741	17,055
(I)	**Total Revenue from Operations**		**6,11,482**	**6,54,974**
(II)	Other Income	26	(14,038)	(3,287)
(III)	**Total Income (I+II)**		**5,97,444**	**6,51,687**
	Expenses			
(i)	Finance Costs	27	3,78,947	3,58,697
(ii)	Fees and Commission Expense		3,451	3,987
(iii)	Net loss on derecognition of financial instruments under amortised cost		28,597	14,939
(iv)	Impairment on Financial Instruments (Net)	28	41,235	47,366
(v)	Cost of Traded Goods		-	1,024
(vi)	Cost of Services		-	24,098
(vii)	Employee Benefits Expenses	29	19,613	26,035
(viii)	Depreciation, Amortisation and Impairment Expense		78,502	81,510
(ix)	Administrative and Other Expenses	30	22,096	27,784
(x)	Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt		12,054	7,544
(IV)	**Total Expenses (IV)**		**5,84,495**	**5,92,984**
(V)	**Profit before Exceptional Items & Tax (III - IV)**		**12,949**	**58,703**
(VI)	Adjustment on disposal / cessation of Subsidiaries and Associate		1,222	8,085
(VII)	**Profit Before Tax (V+VI)**		**14,171**	**66,788**
(VIII)	**Tax Expense:**			
	(a) Current Tax		4,347	15,158
	(b) Deferred Tax		949	2,924
(IX)	**Profit After Tax but before Loss of Associates (VII-VIII)**		**8,875**	**48,706**
(X)	Share of Profit/ (Loss) of Associates		-	(28)
(XI)	**Profit After Tax (IX+X)**		**8,875**	**48,678**
(XII)	**Other Comprehensive Income/(Expense)**			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		2	(29)
	(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		(20,300)	(16,494)
	(c) Tax related to above		4,724	3,858
	(ii) Items that will be reclassified to Profit or Loss			
	(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		(945)	(643)
	(b) Gains on fair valuation of loans		3,871	6,290
	(c) Tax related to above		(1,023)	(1,976)
	Total Other Comprehensive Income/(Expense) (XII)		**(13,671)**	**(8,994)**
(XIII)	**Total Comprehensive Income/(Expense) (XI+XII)**		**(4,796)**	**39,684**
(XIV)	**Profit attributable to:**			
	-Owners of the parent		8,884	48,685
	-Non-controlling interest		(9)	(7)
(XV)	**Other Comprehensive Income/(Expense) attributable to:**			
	-Owners of the parent		(13,671)	(8,994)
	-Non-controlling interest		-	-
(XVI)	**Total Comprehensive Income/(Expense) attributable to:**			
	-Owners of the parent		(4,787)	39,691
	-Non-controlling interest		(9)	(7)
(XVII)	**Earnings per Equity share (Basic and Diluted) (in ₹) (Par Value ₹ 10/- per Equity Share)**	31	**1.76**	**9.68**
	Significant Accounting Policies and Notes to Consolidated Financial Statements.	1 to 49		

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

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors

Manoj Daga
Partner
Membership No. 048523

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Mumbai, 28th July, 2020

Kolkata, 28th July, 2020

Consolidated Cash Flow Statement as at 31st March, 2020

(₹ in Lacs)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A.	**Cash Flows from Operating Activities**		
	Profit Before Tax	14,171	66,788
	Adjustments for :		
	Net unrealised fair value (gain) / loss	(35,101)	(8,578)
	Net (gain) / loss on derecognition of Property, Plant and Equipment	2,372	1,211
	Interest on Income Tax Refund	(869)	(1,118)
	Liabilities No Longer Required written back	8,136	87
	Impairment on Financial Instruments (Net)	41,235	47,366
	Depreciation, Amortisation and Impairment Expense	78,502	81,510
	Net (gain) / loss on derecognition of Financial Instruments under amortised cost category	(1,773)	7,301
	Impairment/Write-off on Assets acquired in satisfaction of debt	12,054	7,544
	Operating profit before working capital changes	**1,18,727**	**2,02,111**
	Changes in Working Capital		
	Adjustments for :		
	(Increase) / Decrease in Trade Receivables and Others Assets	62,017	65,857
	(Increase) / Decrease in Loans Assets	(1,24,301)	4,465
	(Increase) / Decrease in Inventory	-	-
	Increase / (Decrease) in Trade Payables and Others Liabilities	(84,683)	(81,406)
	(Increase) / Decrease in Other Bank Balances	39,228	(53,726)
	Cash Generated / (used) in operations	**10,988**	**1,37,301**
	Direct Taxes Paid (net of refund)	(11,357)	(3,367)
	Net Cash (used in) / generated from Operating Activities	**(369)**	**1,33,934**
B.	**Cash Flows from Investing Activities**		
	Purchase of Property, Plant and Equipment/ Capital Work-in-Progress/ Intangible Assets	(28,833)	(1,05,727)
	Proceeds from Sale of Property, Plant and Equipment/Intangible assets	84,182	25,104
	(Increase) / Decrease in Investments (Other than Subsidiaries)	88,090	(32,324)
	Sale of Subsidiaries	-	168
	Net Cash (used in) / generated from Investing Activities	**1,43,439**	**(1,12,779)**
C.	**Cash Flows from Financing Activities**		
	(Repayment of) / Proceeds from issuance of Debt securities (including subordinated debt securities) (Net)	(1,49,541)	69,323
	(Repayment of) / Proceeds from Working Capital facilities (Net)	1,88,870	(24,031)
	(Repayment of) / Proceeds from Other Borrowings (Net)	(1,73,617)	(63,728)
	Dividend Paid (including Corporate Dividend Tax)	(16)	(6,065)
	Net Cash (used in) / generated from Financing Activities	**(1,34,304)**	**(24,501)**
	Net Increase / (Decrease) in Cash and Cash Equivalents	**8,766**	**(3,346)**
	Cash & Cash Equivalents at the beginning of the year	**31,293**	**34,639**
	Cash and Cash Equivalents at the end of the year	**40,059**	**31,293**
	Net Cash (used in) / generated from Operating Activities includes:		
	Interest Received	3,84,012	4,24,063
	Interest Paid	(4,00,834)	(3,52,274)
	Dividend Received	91	85

(₹ in Lacs)

Components of Cash and Cash Equivalents:	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	15	308
(b) Balances with Banks - in Current Account	39,942	30,849
(c) Fixed Deposits with original maturity period less than three months	102	136
	40,059	**31,293**

Explanations:

1. The above Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
2. Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors

Manoj Daga
Partner
Membership No. 048523

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Mumbai, 28th July, 2020

Kolkata, 28th July, 2020

Consolidated Statement of Changes in Equity as at 31st March, 2020

A. Equity Share Capital

(₹ in Lacs)

Particulars	Amount
As at 1st April, 2018	**50,324**
Changes in Equity share capital during the year	-
As at 31st March, 2019	**50,324**
As at 1st April, 2019	50,324
Changes in Equity share capital during the year	(15)
As at 31st March, 2020	**50,309**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income				Total	Non-Controlling Interests
	Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Income Tax Special reserve (pursuant to Section 36(1) (viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Bond/ Debenture Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Debt Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges		
Balance as at the 1st April, 2018	45,748	23,621	1,04,729	62,441	51,107	1,36,801	(1,19,015)	21,973	(231)	3,003	-	330,177	20
Profit for the year	-	-	-	-	-	-	48,685	-	-	-	-	48,685	(7)
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	(18)	(12,650)	-	4,092	(418)	(8,994)	-
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	(3,010)	-	(3,010)	-
Dividends	-	-	-	-	-	-	(6,065)	-	-	-	-	(6,065)	-
Transfer from retained earnings	7,765	113	-	-	2,513	-	(10,391)	-	-	-	-	-	-
Balance as at 31st March, 2019	**53,513**	**23,734**	**1,04,729**	**62,441**	**53,620**	**1,36,801**	**(86,804)**	**9,323**	**(231)**	**4,085**	**(418)**	**3,60,793**	**13**
Balance as at the 1st April, 2019	53,513	23,734	1,04,729	62,441	53,620	1,36,801	(86,804)	9,323	(231)	4,085	(418)	3,60,793	13
Profit for the year	-	-	-	-	-	-	8,884	-	-	-	-	8,884	(9)
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	13	(15,587)	-	2,518	(615)	(13,671)	-
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	(4,092)	-	(4,092)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited Equity	-	-	15	-	-	-	-	-	-	-	-	15	-
Transfer from retained earnings	1,391	2,100	-	-	(41,735)	-	38,244	-	-	-	-	-	-
Balance as at 31st March, 2020	**54,904**	**25,834**	**1,04,744**	**62,441**	**11,885**	**1,36,801**	**(39,663)**	**(6,264)**	**(231)**	**2,511**	**(1,033)**	**3,51,929**	**4**

* Includes gain for ₹ 13 Lacs (Previous year: charge of ₹ 18 Lacs) on account of remeasurement of defined benefit plans.

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Mumbai, 28th July, 2020

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Kolkata, 28th July, 2020

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1. Basis of preparation

The Consolidated financial statements relates to M/s. Srei Infrastructure Finance Limited (the "Company") and its subsidiaries (together hereinafter referred to as "Group"), associate and Trust. The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards.

Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 1.23 - Significant accounting judgements, estimates and assumptions.The management believes that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known / materialised.

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

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

1.2. Basis of Consolidation

(i) The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits in associate and interest in trust that are consolidated in a manner as explained below.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. The results of subsidiaries and associate acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(i) The financial statements of the subsidiary companies, associate company and Trust used in the consolidation are drawn up to the same reporting date as of theCompany i.e. year ended 31stMarch , 2020 and are prepared based on the accounting policies consistent with those used by theCompany.

(ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Group and trust has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary companies and trust over its share of equity/ corpus of the subsidiary company/trust, at the dates on which the investments is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity/corpus as on the date of investment is in excess of cost of investment of the Company, it is recognised under 'Other Equity', in the consolidated financial statements.

c) The difference between the proceeds from disposal of investment in subsidiary/Trust and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Minority interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.

(iv) The subsidiary/associate companies considered in the consolidated financial statements are as below:

Subsidiaries & Step-down Subsidiaries	Country of Origin	Share of ownership interest as at 31st March, 2020 (%)	Share of ownership interest as at 31st March, 2019 (%)
Srei Capital Markets Limited	India	100	100
Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	India	100	100
Controlla Electrotech Private Limited	India	100	100
Srei Mutual Fund Asset Management Private Limited	India	100	100
Srei Mutual Fund Trust Private Limited	India	100	100
Srei Insurance Broking Private Limited	India	100	100
Bengal Srei Infrastructure Development Limited	India	51	51
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Srei Finance Limited (Formerly Srei Asset Finance Limited)	India	100	100
Srei Equipment Finance Limited	India	100	100
Associates:			
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	India	-	49.47
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany	49.13	49.13
Trusts:			
Srei Mutual Fund Trust	India	100*	100*

* holding % of Corpus

The accounting policies for some specific items are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.23.

1.3. Presentation of Financial Statements

The Consolidated financial statements of the Group, associate and trust are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association

Arrangements) are presented net if all the above criteria are met.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on 28th July, 2020.

1.4. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the Reserve Bank of India ("the RBI").

The accounting policies are applied consistently to all the periods presented in the financial statements, unless otherwise stated.

1.5. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

1.6. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from Operations is recognised in the consolidated statement of Profit and Loss on an accrual basis as stated herein below:

(a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.19.3.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

(b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.19.3.

(c) Interest Income on credit impaired financial assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(d) Rental income arising from non-cancellable operating leases is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

(e) Interest income on fixed deposits/margin money is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) 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.

(g) **Revenue from Contract with Customers:**

Revenue is recognised when transfer of control of promised goods or services to customers in an amount that reflects that the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised when related services are rendered and performance obligation is satisfied which is based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the performance obligation is satisfied.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

(h) Income from dividend is recognised when the 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.

(i) Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

(j) Referral income and others income is recognized when it becomes due under the term of relevant mutually agreed arrangement.

(k) Revenue from sale of power is recognised to the extent of the Group’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.

1.7. Leasing

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

The Group as lessor

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

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

For the revenue recognition policy on Lease Contracts, refer Note No. 1.6.

The Group as lessee

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

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Group recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet.

1.8. Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the consolidated statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Foreign currency changes for non-monetary items measured at FVTOCI are recognised in other comprehensive income.

1.9. Borrowing cost

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

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

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

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

SIGNIFICANT ACCOUNTING POLICIES (contd.)

1.10. Employee Benefits

Retirement benefit costs and other employee benefits

(A) Defined Contribution Plans:

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognised as expenditure when an employee renders related services.

(B) Defined Benefit Plans:

Gratuity Liability and Long Term compensated absences are defined benefit plan. 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 on the consolidated 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 under retained earnings and is not reclassified to the consolidated statement of Profit & Loss.

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered.

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

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

1.11. Taxation

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

Current tax

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

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

Deferred tax

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

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

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 consolidated statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.12. Property, Plant and Equipment

Property, plant and equipment shown in the consolidated balance sheet consists of assets used in provision of services or for administrative purposes, and include assets leased by the Group as lessor under operating leases.

Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the consolidated statement of Profit and Loss during the reporting period in which they are incurred.

De-recognition

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

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Average useful life of the assets determined is as under:

Own Use Assets:

Assets description as per Note No.13	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Buildings	60 years	60 years
Furniture and Fixtures	10 years	10 years
Computers&Office Equipment	3, 5, 6 years	3,5,6 years
Motor Vehicles	8 years	7, 8 years
Plant and Machinery	15, 22 years	8,15,22 years

Operating lease Assets:

Assets description as per Note No. 13	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Computers	3, 6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15, 30 years	8,15,22,30 years
Windmills	22 years	20 years

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

Leasehold assets including improvements are amortised over estimated useful life or the period of the lease, whichever is lower.

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

1.13. Intangible Assets

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

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

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

1.14. Impairment of Non-Financial Assets

Tangible and intangible assets

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

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

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

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

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

1.15. Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

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

Contingent Liabilities

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

Contingent Assets

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

1.16. Cash and cash equivalents

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

1.17. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM assess the financial performance and position of the Group and makes strategic decisions.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of services offered.

1.18. Repossessed Assets andAssets Acquired in Satisfaction of Debt

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

1.19. Financial Instruments

Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

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

Business model assessment

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the consolidated statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.19.1 Recognition of Financial Instruments:

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

1.19.2 Initial Measurement of Financial Instruments:

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

1.19.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

These financial assets comprise bank balances, Loans, Trade receivables, Other receivables, investments and other financial assets.

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

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

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

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

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

Financial Assets at Fair Value through Profit or Loss (FVTPL):

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

Any differences between the fair values of financial assets classified as FVTPL and held by the Group on the balance sheet date is recognised in the consolidated statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of Profit and Loss.

Effective Interest Rate (EIR) Method:

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

The EIR for financial assets or financial liability is computed

a. By considering all the contractual terms of the financial instrument in estimating the cash flows.

b. Including fees and transaction costs that are integral part of EIR.

Impairment of Financial Assets:

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

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

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

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

No Expected credit losses are 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 Group 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 Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

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

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

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

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

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

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

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

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

(B) Financial Liabilities and Equity Instruments:

Classification as debt or equity:

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

Equity Instruments

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

Financial Liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

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

Trade and other payables

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

Financial Guarantee Contracts

Financial guarantees issued by the Group are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

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

1.19.4 Off-setting of financial instruments

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

1.19.5 Fair value measurement

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

a) In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible.

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

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

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

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

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

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

1.19.6 Overview of the Expected Credit Loss (ECL) principles

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of the Company was not available and hence ECL for non-funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and/or expected realisable value of security / collateral. Additionally, the company carries out reviews for specifically identified exposures as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

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

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

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

No Expected credit losses isrecognised on equity investments.

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

Further, for the purpose of measuring 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 and recovery.

1.20. Derivative financial instruments

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

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

Embedded derivatives

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

1.21. Hedge Accounting

The Group complies with the principles of hedge accounting where derivative contracts are designated as hedging instruments. At the inception of the hedge relationship, the documentation is done for the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge. Furthermore, on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the consolidated statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in consolidated statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to the consolidated statement of Profit and Loss in the periods when the hedged item affects the consolidated statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the underlying transaction is ultimately recognised in the consolidated statement of Profit and Loss. When an underlying transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the consolidated statement of Profit and Loss.

1.22. Offsetting Financial Instruments

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

1.23. Significant accounting judgements, estimates and assumptions

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

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

1.23.1 Impairment charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.19.6 Overview of ECL principles.

1.23.2 Business Model Assessment

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

1.23.3 Provisions other than loan impairment

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

1.23.4 Fair Value measurement

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

1.23.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

1.23.6 EIR method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

1.23.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

1.24 Recent accounting pronouncements

MCA notifies new Standards or amendments to existing standards. There are no such notifications which would have been applicable from 1st April, 2020.

2. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	15	308
Balances with Banks - in Current Account	39,942	30,849
Fixed Deposits with banks having original maturity of 3 months or less	102	136
Total	**40,059**	**31,293**

(i) Changes in Cash Flow from financing activities

(₹ in Lacs)

Particulars	As at 1st April, 2019	Movement			As at 31st March, 2020
		Change due to Sale of Subsidiaries*	Cash	Non-Cash	
Debt Securities	3,61,352	-	(98,627)	-	2,62,725
Borrowings (Other than Debt Securities)	26,69,115	-	15,253	-	26,84,368
Subordinated Liabilities	3,35,611	-	(50,800)	-	2,84,811
Unclaimed Debentures	507	-	(114)	-	393
Total	**33,66,585**	**-**	**(1,34,288)**	**-**	**32,32,297**

(₹ in Lacs)

Particulars	As at 1st April, 2018	Movement			As at 31st March, 2019
		Change due to Sale of Subsidiaries*	Cash	Non-Cash	
Debt Securities	3,33,734		27,867	(249)	3,61,352
Borrowings (Other than Debt Securities)	27,57,226	(9,432)	(78,679)	-	26,69,115
Subordinated Liabilities	3,03,235		32,376	-	3,35,611
Unclaimed Debentures	-	-	-	507	507
Total	**33,94,195**	**(9,432)**	**(18,436)**	**258**	**33,66,585**

* Change due to Sale of Subsidiaries has been reported in the Statement of Cash Flows under Cash Flow from Investing Activities as 'Sale of Subsidiaries'

3. Bank Balance other than Note No. 2 above

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unclaimed Dividend Accounts	36	52
Earmarked Balances	4,494	-
Fixed Deposits with banks having original maturity of more than 3 months (Including accrued interest for fixed deposits)*	1,27,450	1,71,156
Total	**1,31,980**	**1,71,208**

* Includes

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Under Lien:		
- Cash collateral for securitisation of receivables	56,574	35,553
- Security against borrowings	35	35
- Letter of Credit	2,335	51,847
- Bank Guarantees	54,440	79,734
- Unclaimed Public Deposit & Interest	1	1
- Others	3,152	1

4. Derivative Financial Instruments

(₹ in Lacs)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i)Currency derivatives:						
-Spot and Forwards	24,767	157	151	20,333	8	1,084
-Currency swaps	2,37,654	27,706	228	2,73,754	7,193	3,880
-Options purchased	11,079	2,129	-	11,079	455	-
Subtotal (i)	**2,73,500**	**29,992**	**379**	**3,05,166**	**7,656**	**4,964**
(ii)Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	-	-	3,767	16,596	586	761
Subtotal(ii)	**-**	**-**	**3,767**	**16,596**	**586**	**761**
Total Derivative Financial Instruments (i)+(ii)	**2,73,500**	**29,992**	**4,146**	**3,21,762**	**8,242**	**5,725**
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	1,559	20	5	4,179	1	105
-Interest rate derivatives	-	-	1,602	-	-	538
Subtotal (ii)	**1,559**	**20**	**1,607**	**4,179**	**1**	**643**
(iii) Undesignated Derivatives	2,71,941	29,972	2,539	3,17,583	8,241	5,082
Subtotal (iii)	**2,71,941**	**29,972**	**2,539**	**3,17,583**	**8,241**	**5,082**
Total Derivative Financial Instruments (i)+(ii)+(iii)	**2,73,500**	**29,992**	**4,146**	**3,21,762**	**8,242**	**5,725**

The Group's risk management strategy and how it is applied to manage risk are explained in Note No. 35.

4.1 The Group has entered into Options/Swaps/Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding are as follows:

(Amount in Lacs)

Category	Currency	As at 31st March, 2020	As at 31st March, 2019
		Amount in Foreign Currency	Amount in Foreign Currency
Options /Swaps	USD/INR	-	USD 2,882
Options /Swaps	EUR/INR	-	EUR 1,286
Forwards	USD/INR	USD 1,462	USD 96
Forwards	EUR/INR	EUR 97	EUR 142
Forwards	EUR/USD	-	EUR 11
Forwards	AUD/INR	-	AUD 3
Interest Rate Swaps	USD/INR	-	USD 240

5.1. Trade Receivables:

(₹ in Lacs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019
(a)	Considered good - Secured;	-	-
	Less: Allowance for impairment loss allowance	-	-
		-	-
(b)	Considered good - Unsecured;	18,529	40,004
	Less: Allowance for impairment loss allowance	386	11,768
		18,143	28,236
(c)	Significant increase in credit risk	-	-
	Less: Allowance for impairment loss allowance	-	-
		-	-
(d)	Credit impaired	467	1,665
	Less: Allowance for impairment loss allowance	462	1,665
		5	-
Total (a+b+c+d)		**18,148**	**28,236**

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	13,433	12,310
Charge in Consolidated Statement of Profit and Loss	(1,102)	3,656
Disposal of entity under control	-	(942)
Utilized during the year	(11,483)	(1,591)
Balance at the end of the year	**848**	**13,433**

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

(₹ in Lacs)

Particulars	As at 31st March, 2020		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	17,659	211	17,448
Due between three to six months	344	1	343
Due between six months to one year	152	2	150
Due between one year to two year	429	222	207
More than 2 year due	412	412	-
	18,996	**848**	**18,148**

(₹ in Lacs)

Particulars	As at 31st March, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	27,243	417	26,826
Due between three to six months	372	212	160
Due between six months to one year	1,272	938	334
More than 1 year due	12,782	11,866	916
	41,669	**13,433**	**28,236**

5.2 Other Receivables

(₹ in Lacs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019
(a)	Secured, considered good;	-	-
	Less: Allowance for impairment loss allowance	-	-
(b)	Unsecured considered good; and	-	-
	Less: Allowance for impairment loss allowance	-	-
(c)	Significant increase in credit risk	-	-
	Less: Allowance for impairment loss allowance	-	-
(d)	Credit impaired	-	-
	Less: Allowance for impairment loss allowance	-	-
	Total (a+b+c+d)	**-**	**-**

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	-	-
Credited in Statement of Profit and Loss	-	-
Utilized during the year	-	-
Balance at the end of the year	-	-

iii. Ageing of Other Receivables and Credit Risk arising therefrom is as below:

(₹ in Lacs)

Particulars	As at 31st March, 2020		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
More than 1 year due	-	-	-
	-	-	-

(₹ in Lacs)

Particulars	As at 31st March, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
More than 1 year due	-	-	-
	-	-	-

6. Loans

(₹ in Lacs)

Particulars	As at 31st March, 2020						As at 31st March, 2019					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal			Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal	
Loans												
(A)												
(i) Term Loan	28,46,630	1,10,097	83,923	-	1,94,020	30,40,650	24,92,611	2,52,621	40,060	-	2,92,681	27,85,292
(ii)Leasing	6,129	-	-	-	-	6,129	75,381	-	-	-	-	75,381
"(iii) Other Loans : Intercorporate Deposit"	199	-	-	-	-	199	400	-	-	-	-	400
Letter of Credit	17,098	-	-	-	-	17,098	92,382	-	-	-	-	92,382
Total (A) Gross	**28,70,056**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,64,076**	**26,60,774**	**2,52,621**	**40,060**	**-**	**2,92,681**	**29,53,455**
Less: Impairment loss allowance	(1,60,894)	-	-	-	-	(1,60,894)	(1,39,052)	-	-	-	-	(1,39,052)
Total (A) Net	**27,09,162**	**1,10,097**	**83,923**	**-**	**1,94,020**	**29,03,182**	**25,21,722**	**2,52,621**	**40,060**	**-**	**2,92,681**	**28,14,403**
(B)												
(i) Secured by tangible assets / cash flows*	27,79,043	1,10,097	83,923	-	1,94,020	29,73,063	25,65,097	2,52,621	40,060	-	2,92,681	28,57,778
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	91,013	-	-	-	-	91,013	95,677	-	-	-	-	95,677
Total (B) Gross	**28,70,056**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,64,076**	**26,60,774**	**2,52,621**	**40,060**	**-**	**2,92,681**	**9,53,455**
Less: Impairment loss allowance	(1,60,894)	-	-	-	-	(1,60,894)	(1,39,052)	-	-	-	-	(1,39,052)
Total (B) Net	**27,09,162**	**1,10,097**	**83,923**	**-**	**1,94,020**	**29,03,182**	**25,21,722**	**2,52,621**	**40,060**	**-**	**2,92,681**	**28,14,403**
(C) (I) Loans in India												
(i) Public Sector	2,096	-	-	-	-	2,096	1,940	-	-	-	-	1,940
(ii) Others	28,67,960	1,10,097	83,923	-	1,94,020	30,61,980	26,58,834	2,52,621	40,060	-	2,92,681	29,51,515
Total (C) Gross	**28,70,056**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,64,076**	**26,60,774**	**2,52,621**	**40,060**	**-**	**2,92,681**	**29,53,455**
Less: Impairment loss allowance	(1,60,894)	-	-	-	-	(1,60,894)	(1,39,052)	-	-	-	-	(1,39,052)
Total (C) (I) Net	**27,09,162**	**1,10,097**	**83,923**	**-**	**1,94,020**	**29,03,182**	**25,21,722**	**2,52,621**	**40,060**	**-**	**2,92,681**	**28,14,403**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (C) (I) Net and C (II) Net	**27,09,162**	**1,10,097**	**83,923**	**-**	**1,94,020**	**29,03,182**	**25,21,722**	**2,52,621**	**40,060**	**-**	**2,92,681**	**28,14,403**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

i. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	22,79,958	2,27,885	4,05,604	-	29,13,447	22,69,579	3,91,479	3,46,783	-	30,07,841
New assets originated or purchased	15,67,390	1,250	2,500	-	15,71,140	19,40,198	87,436	22,254	-	20,49,888
Assets derecognised or repaid (excluding write offs)	(12,84,907)	(1,04,102)	(93,618)	-	(14,82,627)	(18,27,430)	(1,07,353)	(1,09,056)	-	(20,43,839)
Transfers to Stage 1	93,042	(67,629)	(25,413)	-	-	2,29,809	(2,12,980)	(16,829)	-	-
Transfers to Stage 2	(1,15,294)	1,48,821	(33,527)	-	-	(1,28,098)	1,28,249	(151)	-	-
Transfers to Stage 3	(82,192)	(16,536)	98,728	-	-	(2,02,044)	(58,946)	2,60,990	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	(21,808)	-	(21,808)	(2,056)	-	(98,387)	-	(1,00,443)
Gross carrying amount closing balance	**24,57,997**	**1,89,689**	**3,32,466**	**-**	**29,80,152**	**22,79,958**	**2,27,885**	**4,05,604**	**-**	**29,13,447**

ii. Reconciliation of ECL balance is given below:*

(₹ in Lacs)

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	39,254	13,065	90,354	-	1,42,673	33,220	11,579	1,55,357	-	2,00,156
New assets originated or purchased	20,582	47	737	-	21,366	26,150	8,210	3,477	-	37,837
Assets derecognised or repaid (excluding write offs)	(33,187)	8,120	37,480	-	12,413	10,017	(2,460)	(46,485)	-	(38,928)
Transfers to Stage 1	13,638	(5,692)	(7,946)	-	-	4,360	(7,941)	(5,454)	-	(9,035)
Transfers to Stage 2	(1,875)	7,375	(5,500)	-	-	(1,240)	5,819	(63)	-	4,516
Transfers to Stage 3	(10,991)	(1,334)	12,325	-	-	(33,065)	(2,142)	45,600	-	10,393
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	(14,204)	-	(14,204)	(188)	-	(62,078)	-	(62,266)
ECL allowance - closing balance	**27,421**	**21,581**	**1,13,246**	**-**	**1,62,248**	**39,254**	**13,065**	**90,354**	**-**	**1,42,673**

* Includes ECL allowance of ₹ 848 Lacs (Previous year: ₹ 540 Lacs) on off balance sheet exposure.

* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 1,354 Lacs (Previous year: ₹ 3,621 Lacs).

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ 9,283 Lacs (Previous year: ₹ 53,293 Lacs).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the borrowers.

7. **Investments**

(₹ in Lacs)

Particulars	As at 31st March, 2020							As at 31st March, 2019						
		At Fair Value							At Fair Value					
	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal	Others	Total	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal	Others	Total
Investments														
Debt securities	11,086	-	33,491	-	33,491	-	44,577	29,590	-	77,831	-	77,831	-	1,07,421
Equity instruments	-	15,267	31,164	-	46,431	-	46,431	-	41,332	33,858	-	75,190	-	75,190
In Units of Trusts and Schemes of Venture Funds	-	27,702	-	-	27,702	-	27,702	-	36,873	-	-	36,873	-	36,873
Total – Gross A	**11,086**	**42,969**	**64,655**	**-**	**1,07,624**	**-**	**1,18,710**	**29,590**	**78,205**	**1,11,689**	**-**	**1,89,894**	**-**	**2,19,484**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	11,086	42,969	64,655	-	1,07,624	-	1,18,710	29,590	78,205	1,11,689	-	1,89,894	-	2,19,484
Total – B	**11,086**	**42,969**	**64,655**	**-**	**1,07,624**	**-**	**1,18,710**	**29,590**	**78,205**	**1,11,689**	**-**	**1,89,894**	**-**	**2,19,484**
Less: Impairment loss allowance (C)	(9,590)	-	-	-	-	-	(9,590)	(7,631)	-	-	-	-	-	(7,631)
Total – Net D =(A)-(C)	**1,496**	**42,969**	**64,655**	**-**	**1,07,624**	**-**	**1,09,120**	**21,959**	**78,205**	**1,11,689**	**-**	**1,89,894**	**-**	**2,11,853**

(i) During the financial year ended 31st March, 2020 the Company sold its investment in Equity instruments that was classified at FVTOCI to meet its business objective. The fair value of the investment at the date of derecognition was ₹ 17,720 Lacs (Previous year: ₹ 3,951 Lacs) and gain on disposal was ₹ 2,134 Lacs (Previous year: loss ₹ 1,282 Lacs). Cumulative gain on disposal not reclassified to Retained earning is ₹ 636 Lacs (Previous year: loss ₹ 1,498 Lacs).

(ii) During the year, the Company has invested ₹ 100 crores in debentures on behalf of its client and earned management fees for the same. The said investment and the amount received for making the same, have not been reflected in these financial statements, as the Company does not have any beneficial interest in the said investment.

8. Other Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Income accrued but not due	-	229
Interest retained on Pool Assigned	31,608	11,057
Less: Impairment loss allowance for Interest retained on Pool Assigned	(1,300)	(307)
Rental accrued but not due	10,050	13,303
Less: Impairment loss allowance for Rental accrued but not due [Refer Note No. 5.1(i)]	(117)	(490)
Loan to employees	3	40
Security deposits	1,686	19,122
Advance for Investments	24	23
Claims Receivables [Refer Note No. 8.1]	51,015	48,045
Other Advances and Receivables	242	853
Contribution to trust fund	-	1
Total	**93,211**	**91,876**

8.1 Includes claims receivable measured at fair value through profit or loss amounting to ₹ 51,015 Lacs (previous year ₹ 21,022 Lacs)

9. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	813	2,149
Employee Advances	305	461
Advance to Vendors for Operating Expenses	3,189	6,846
Advance Rent	1	6,103
Balances with Government Authorities	3,581	36,524
Repossessed Assets and Assets acquired in satisfaction of debt*	47,663	72,465
Prepaid expenses	871	657
Total	**56,423**	**1,25,205**

* Includes repossessed assets amounting to ₹ 43,383 Lacs (previous year ₹ 30,630 Lacs) and also includes assets/collaterals acquired in satisfaction of debt amounting to ₹ 4,280 Lacs (previous year ₹ 41,835 Lacs).

10. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Tax [(net of provision for tax ₹ 74,768 Lacs 31st March, 2019: ₹ 29,903 Lacs)]	20,896	14,109
Total	**20,896**	**14,109**

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

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Profit Before Tax	**14,171**	**66,788**
Statutory Income Tax Rate	34.944%	34.944%
Expected income tax expense at statutory income tax rate	4,952	23,339
(i) Income exempt from tax/Items not deductible (net)	1,092	(1,093)
(ii) Effect of indexation benefit / different tax rate on certain items	(96)	(4,059)
(iii) Other differences	(652)	(105)
Total Tax Expense recognised in Consolidated Statement of Profit and Loss	**5,296**	**18,082**
Total Tax Expense recognised in Other Comprehensive Income	3,701	1,882

11. Deferred Tax Assets / (Deferred Tax Liability) (Net)

(₹ in Lacs)

Particulars	As at 1st April, 2019	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to Statement of Profit and Loss	Utilisation of MAT credit	Impact due to Cessation of subsidiaries	As at 31st March, 2020
MAT Credit Entitlement	1,229	3,118	-	-	-	-	4,347
Financial Assets and Liabilities at FVTPL	1,743	(403)	(1,249)	2,198	-	-	2,289
Receivables, Financial Assets and Liabilities at Amortised Cost	40,907	(6,612)	-	-	-	-	34,295
Unrealised gain on Investment carried at Fair Value	(2,413)	(1,059)	4,794	-	-	-	1,322
Carried Forward of Losses & Unabsorbed Depreciation	23,031	(768)	-	-	-	-	22,263
Property, Plant and Equipment and Intangible Assets	(42,248)	854	-	-	-	-	(41,394)
Loss under Income Tax	-	2,547	-	-	-	-	2,547
Other Timing Differences	(2,897)	308	(16)	-	-	-	(2,605)
Disallowances u/s 43B of IT Act	6	(1)	-	-	-	-	5
Provisions	59	(39)	172	-	-	-	192
Net Deferred Tax Assets/ (Liabilities)	**19,417**	**(2,055)**	**3,701**	**2,198**	**-**	**-**	**23,261**

(₹ in Lacs)

Particulars	As at 1st April, 2018	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to Statement of Profit and Loss	Utilisation of MAT credit	Impact due to Cessation of subsidiaries	As at 31st March, 2019
MAT Credit Entitlement	5,341	73	-	-	(3,899)	(286)	1,229
Financial Assets and Liabilities at FVTPL	3,572	(1,480)	(1,973)	1,612	-	12	1,743
Receivables, Financial Assets and Liabilities at Amortised Cost	58,003	(17,096)	-	-	-	-	40,907
Unrealised gain on Investment carried at Fair Value	1,207	(6,666)	3,843	-	-	(797)	(2,413)
Carried Forward of Losses & Unabsorbed Depreciation	2,123	22,509	-	-	-	(1,601)	23,031
Property, Plant and Equipment and Intangible Assets	(47,126)	2,238	-	3,574	-	(934)	(42,248)
Loss under Income Tax	-	-	-	-	-	-	-
Other Timing Differences	2,241	(2,591)	16	-	-	(2,563)	(2,897)
Disallowances u/s 43B of IT Act	47	13	(4)	-	-	(50)	6
Provisions	980	76	-	-	-	(997)	59
Net Deferred Tax Assets/ (Liabilities)	**26,388**	**(2,924)**	**1,882**	**5,186**	**(3,899)**	**(7,216)**	**19,417**

12. Investment Property

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment				Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Land	9	-	-	9	-	-	-	-	9
Building	1,865	-	-	1,865	73	36	-	109	1,756
Total	**1,874**	**-**	**-**	**1,874**	**73**	**36**	**-**	**109**	**1,765**

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment				Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Land	9	-	-	9	-	-	-	-	9
Building	1,865	-	-	1,865	36	37	-	73	1,792
Total	**1,874**	**-**	**-**	**1,874**	**36**	**37**	**-**	**73**	**1,801**

(i) The Investment Property is valued at cost. Depreciation is charged using the straight- line method based on its estimated useful life of building i.e. 60 years.

(ii) Fair Value of Land and Building as on 31st March, 2020 - ₹ 3,531 Lacs (as on 31st March, 2019 ₹ 3,531 Lacs)

(iii) The amount recognised in the Consolidated Statement of Profit and Loss in relation to Investment Property:-

a) Income for the year 2019-20 is ₹ 312 Lacs (31st March, 2019 ₹ 156 Lacs)

b) Direct operating expenses arising from investment property that generated rental income, for the year 2019-20 ₹ 261 Lacs (31st March, 2019 ₹ 147 Lacs)

c) Building is mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible Debentures aggregating to ₹ 70 Lacs by the subsidiary company in favour of the Debenture Trustee, Axis Trustee Services Limited.

(iv) For the purpose of fair valuation, Investment Property has been considered as a Level 3 item. Significant inputs used for the same are rate comparative analysis and rental analysis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

13. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Assets for Own use										
Freehold Land	4	16,056	-	16,060	-	-	-	-	-	16,060
Buildings	14,750	1,447	191	16,006	606	306	-	191	721	15,285
Plant and Machinery	22,625	-	22	22,603	2,082	1,036	-	22	3,096	19,507
Furniture and Fixtures	4,346	62	1,259	3,149	1,382	643	-	1,256	769	2,380
Motor Vehicles	356	79	57	378	103	77	-	52	128	250
Computers & Office Equipments	1,534	30	437	1,127	1,074	206	-	437	843	284
Leasehold Improvements	4,313	45	2	4,356	1,711	656	-	1	2,366	1,990
(A)	**47,928**	**17,719**	**1,968**	**63,679**	**6,958**	**2,924**	**-**	**1,959**	**7,923**	**55,756**
Assets given on Operating lease										
Plant and Machinery	2,62,927	8,201	96,955	1,74,173	41,790	23,141	-	21,399	43,532	1,30,641
Earthmoving Equipments	1,63,855	757	10,658	1,53,954	41,177	24,673	-	4,040	61,810	92,144
Furniture and Fixtures	10,102	207	1,080	9,229	2,131	1,187	-	429	2,889	6,340
Motor Vehicles	1,00,141	1,533	4,517	97,157	29,105	15,823	-	1,745	43,183	53,974
Windmills	9,968	-	-	9,968	1,914	956	-	-	2,870	7,098
Computers & Office Equipments	42,381	354	2,283	40,452	13,347	8,211	-	1,362	20,196	20,256
Aircraft	379	-	-	379	81	41	-	-	122	257
(B)	**5,89,753**	**11,052**	**1,15,493**	**4,85,312**	**1,29,545**	**74,032**	**-**	**28,975**	**1,74,602**	**3,10,710**
Total (C)= (A+B)	**6,37,681**	**28,771**	**1,17,461**	**5,48,991**	**1,36,503**	**76,956**	**-**	**30,934**	**1,82,525**	**3,66,466**

14. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Assets for Own use										
Software	1,913	317	8	2,222	1,540	300	-	8	1,832	390
Assets given on Operating lease										
Software	847	-	167	680	650	108	-	140	618	62
Total	**2,760**	**317**	**175**	**2,902**	**2,190**	**408**	**-**	**148**	**2,450**	**452**

13. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Assets for Own use										
Freehold Land	4	-	-	4	-	-	-	-	-	4
Buildings	14,750	-	-	14,750	307	307	-	8	606	14,144
Plant and Machinery	34,962	-	12,337	22,625	1,299	1,424	-	641	2,082	20,543
Furniture and Fixtures	4,335	142	131	4,346	716	713	-	47	1,382	2,964
Motor Vehicles	286	77	7	356	33	73	-	3	103	253
Computers & Office Equipments	1,488	88	42	1,534	588	518	-	32	1,074	460
Leasehold Improvements	4,313	56	56	4,313	866	858	-	13	1,711	2,602
(A)	**60,138**	**363**	**12,573**	**47,928**	**3,809**	**3,893**	**-**	**744**	**6,958**	**40,970**
Assets given on Operating lease										
Plant and Machinery	2,27,740	32,954	(2,233)	2,62,927	18,189	24,385	162	946	41,790	2,21,137
Earthmoving Equipments	1,21,537	42,999	681	1,63,855	17,153	24,275	12	263	41,177	1,22,678
Furniture and Fixtures	8,200	2,207	305	10,102	1,024	1,181	2	76	2,131	7,971
Motor Vehicles	81,603	21,048	2,510	1,00,141	13,494	16,483	21	893	29,105	71,036
Windmills	28,448	-	18,480	9,968	2,189	956	-	1,231	1,914	8,054
Computers & Office Equipments	38,016	5,901	1,536	42,381	4,852	9,138	166	809	13,347	29,034
Aircraft	379	-	-	379	40	41	-	-	81	298
(B)	**5,05,923**	**1,05,109**	**21,279**	**5,89,753**	**56,941**	**76,459**	**363**	**4,218**	**1,29,545**	**4,60,208**
Total (C)= (A+B)	**5,66,061**	**1,05,472**	**33,852**	**6,37,681**	**60,750**	**80,352**	**363**	**4,962**	**1,36,503**	**5,01,178**

14. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Assets for Own use										
Software	1,817	158	62	1,913	1,107	445	-	12	1,540	373
Assets given on Operating lease										
Software	854	-	7	847	344	234	79	7	650	197
Total	**2,671**	**158**	**69**	**2,760**	**1,451**	**679**	**79**	**19**	**2,190**	**570**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

15. Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lacs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019
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. This has been relied upon by the auditors.

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
For Supplies and Services	360	1,279
Acceptances	17,280	92,430
Other than Acceptances	95,792	74,983
Total	**1,13,432**	**1,68,692**

16. Debt Securities

(₹ in Lacs)

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	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
Non-Convertible Debentures - Secured	2,58,968	-	-	2,58,968	3,57,846	-	-	3,57,846
Non-Convertible Debentures - Unsecured	213	-	-	213	213	-	-	213
Long-Term Infrastructure Bonds	3,544	-	-	3,544	3,293	-	-	3,293
Total	**2,62,725**	**-**	**-**	**2,62,725**	**3,61,352**	**-**	**-**	**3,61,352**
Debt securities in India	2,62,725	-	-	2,62,725	3,61,352	-	-	3,61,352
Debt securities outside India	-	-	-	-	-	-	-	
Total	**2,62,725**	**-**	**-**	**2,62,725**	**3,61,352**	**-**	**-**	**3,61,352**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

17. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	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
(a) Term Loans								
Secured								
From Banks								
- Rupee Loans	2,62,502	-	-	2,62,502	3,22,116	-	-	3,22,116
- Foreign Currency Loans	93,188	-	-	93,188	89,384	-	-	89,384
From Financial Institutions								
- Rupee Loans	1,66,610	-	-	1,66,610	2,62,275	-	-	2,62,275
- Foreign Currency Loans	1,25,165	-	-	1,25,165	1,18,375	-	-	1,18,375
Working Capital Facilities	11,12,483	-	-	11,12,483	6,01,043	-	-	6,01,043
Collateral Borrowings	79,528	-	-	79,528	1,35,188	-	-	1,35,188
Unsecured								
From Banks								
- Foreign Currency Loans	56,002	-	-	56,002	55,828	-	-	55,828
From Financial Institutions								
- Foreign Currency Loans	8,177	-	-	8,177	8,620	-	-	8,620
Commercial Papers								
- From Others	68,602	-	-	68,602	82,940	-	-	82,940
(b) Loan repayable on demand								
Secured								
- Working Capital Facilities- Rupee Loans	6,89,977	-	-	6,89,977	9,93,346	-	-	9,93,346
Unsecured								
Inter Corporate Deposits	22,134	-	-	22,134	-	-	-	-
Total	**26,84,368**	**-**	**-**	**26,84,368**	**26,69,115**	**-**	**-**	**26,69,115**
Borrowings in India	24,49,504	-	-	24,49,504	23,96,908	-	-	23,96,908
Borrowings outside India	2,34,864	-	-	2,34,864	2,72,207	-	-	2,72,207
Total	**26,84,368**			**26,84,368**	**26,69,115**	**-**	**-**	**26,69,115**

18. Subordinated Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
Subordinated Perpetual bonds/debentures (Tier I Capital)	50,270	-	-	50,270	46,282	-	-	46,282
Subordinated bonds/debentures (Tier II Capital)	2,19,487	-		2,19,487	2,69,262	-	-	2,69,262
Subordinated Deposits - Unsecured	-		-	-	5,056	-	-	5,056
Subordinated Loans - Unsecured	15,054	-	-	15,054	15,011	-	-	15,011
Total	**2,84,811**	**-**	**-**	**2,84,811**	**3,35,611**	**-**	**-**	**3,35,611**
Subordinated Liabilities in India	2,84,811	-	-	2,84,811	3,35,611	-	-	3,35,611
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total	**2,84,811**	**-**	**-**	**2,84,811**	**3,35,611**	**-**	**-**	**3,35,611**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

19. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unpaid Dividends (Refer Note No. 19.1)	36	52
Unpaid Matured Deposits and Interest Accrued thereon	-	1
Unpaid Matured Debentures and Interest Accrued thereon	393	507
Security Deposits & Retentions	23,875	41,422
Payable to Employees	1,154	1,399
Commission Payable to Directors	-	659
Liability for Operating Expenses	3,335	3,361
Financial Guarantee Liability	356	689
Advances and Due to Others	1,049	766
Total	**30,198**	**48,856**

19.1 To be credited to Investor Education and Protection Fund as and when due.

20. Provisions

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits (Refer Note No. 38)		
Provision for Gratuity	812	673
Provision for Unavailed Leave	1,203	1,423
Total	**2,015**	**2,096**

21. Other Non-Financial Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Sundry liabilities (Interest Capitalisation) Account	1,443	1,638
Advance from Customers	4,358	3,322
Statutory Liabilities	1,794	1,405
Pre-received Rent	4,230	11,514
Others	-	190
Total	**11,825**	**18,069**

22. Equity Share Capital

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised				
Equity Shares, ₹ 10/- par value per share	1000000000	1,00,000	1000000000	1,00,000
Preference Shares, ₹ 100/- par value per share	50000000	50,000	50000000	50,000
		1,50,000		**1,50,000**
Issued and subscribed				
Equity Shares, ₹ 10/- par value per share	503559160	50,356	503559160	50,356
Fully Paid-up				
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309
Forfeited Shares	-	-	472827	15
		50,309		**50,324**

22.1 Reconciliation of the number of equity shares outstanding

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

(₹ in Lacs)

Equity Shares	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309

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

The Group's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Group during the year ended 31st March, 2020 and 31st March, 2019.

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

22.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2020)

The Group has not issued any shares without payment being received in cash/ by way of bonus shares since 2014-15.

22.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

(₹ in Lacs)

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	30,36,75,845	60.36	30,36,75,845	60.36
Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund	2,64,98,940	5.27	3,43,55,610	6.83

22.5 Refer note 33 - for Company's capital management objectives, policies and processes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

23. Other Equity

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)		
Opening balance	53,513	45,748
Add: Transfer from retained earnings	1,391	7,765
Closing balance	**54,904**	**53,513**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	23,734	23,621
Add: Transfer from retained earnings	2,100	113
Closing balance	**25,834**	**23,734**
Capital Reserve		
Opening balance	1,04,729	1,04,729
Add: Addition during the year	15	-
Closing balance	**1,04,744**	**1,04,729**
Securities Premium		
Opening balance	62,441	62,441
Closing balance	**62,441**	**62,441**
Bond/Debenture Redemption Reserve		
Opening balance	53,620	51,107
Add: Transfer from retained earnings	-	9,684
Less: Transfer to retained earnings, on repayment of Bond/Debenture	41,735	7,171
Closing balance	**11,885**	**53,620**
General Reserve		
Opening balance	1,36,801	1,36,801
Closing balance	**1,36,801**	**1,36,801**
Equity Instruments through Other Comprehensive Income		
Opening balance	9,323	21,973
Add: Transfer from retained earnings (net of tax)	(15,587)	(12,650)
Closing balance	**(6,264)**	**9,323**
Foreign Currency Translation Reserve		
Opening balance	(231)	(231)
Add: Additions during the year	-	-
Closing balance	**(231)**	**(231)**
Debt Instruments through Other Comprehensive Income		
Opening balance	4,085	3,003
Add: Addition during the year	2,518	4,092
Less: Reclassified to Consolidated Statement of Profit and Loss	(4,092)	(3,010)
Closing balance	**2,511**	**4,085**
Effective portion of Cash Flow Hedges		
Opening balance	(418)	-
Add: Additions during the year	(615)	(418)
Closing balance	**(1,033)**	**(418)**
Retained Earnings		
Opening balance	(86,804)	(1,19,015)
Add: Profit for the year	8,884	48,685
Add: Other Comprehensive Income (net of tax)	13	(18)
Add/ Less: Appropriations		
Interim dividend	-	(2,515)
Equity dividend	-	(2,515)
Corporate Dividend Tax	-	(1,035)
Transferred to Special Reserve	(1,391)	(7,765)
Transferred to Income Tax special reserve	(2,100)	(113)
Transferred to Bond/Debenture Redemption Reserve (Net)	41,735	(2,513)
Total appropriations	**38,244**	**(16,456)**
Closing balance	**(39,663)**	**(86,804)**
Total	**3,51,929**	**3,60,793**

(i) Special Reserve:

Every year the Company and one of the subsidiary i.e. Srei Equipment Finance Limited being the Non-Banking Financial Companies, transfers a sum of not less than twenty percent of net profit after tax of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IC of The Reserve Bank of India Act, 1934.

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

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

(ii) Income Tax Special Reserve:

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

(iii) Capital Reserve:

This reserve represents capital investment subsidy received, amount forfeited towards warrant subscription and amount on cancellation of forfeited equity shares.

(iv) Securities Premium:

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

(v) Bond/Debenture Redemption Reserve:

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

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

(vi) General Reserve:

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

(vii) Equity Instruments through Other Comprehensive Income:

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

(viii) Foreign Currency Translation Reserve:

Exchange differences arising on translation of a foreign associate are recognised in Other Comprehensive Income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Profit or Loss when the investment is disposed-off.

(ix) Debt Instruments through Other Comprehensive Income:

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

(x) Effective portion of Cash Flow Hedges:

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

(xi) Retained Earnings:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

24. Interest Income

(₹ in Lacs)

Particulars	2019-20			2018-19		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans	10,180	3,63,922	429	17,607	3,87,402	337
Interest income from investments	-	2,462	1,232	-	974	3,853
Interest on deposits with Banks	-	8,557	-	-	10,631	-
Other interest Income	-	41	-	-	564	-
Total	**10,180**	**3,74,982**	**1,661**	**17,607**	**3,99,571**	**4,190**

25. Net gain on fair value changes

(₹ in Lacs)

Particulars	2019-20	2018-19
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives *	23,219	2,700
(ii) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Derivatives	18	(548)
- Investments	12,748	6,008
- Loans	4,873	3,280
- Deposits	-	842
- Claims Receivable	(3,739)	(3,008)
Total Net gain/(loss) on fair value changes (A)	**37,119**	**9,274**
Fair Value changes:		
-Realised	8,034	696
-Unrealised	29,085	8,578
Total Net gain/(loss) on fair value changes (B) to tally with (A)	**37,119**	**9,274**

* Derivative contracts have been entered to manage foreign currency risk and interest rate risk arising from underlying foreign currency financial liabilities and not for trading purpose.

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 1st April, 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.

26. Other Income

(₹ in Lacs)

Particulars	2019-20	2018-19
Net gain / (loss) on derecognition of Property, Plant and Equipment	(2,372)	(1,211)
Liability No Longer Required written back	8,136	-
Interest on Income Tax Refund	869	1,118
Net gain /(loss) on Foreign Currency Transactions	(20,787)	(4,048)
Others	116	854
Total	**(14,038)**	**(3,287)**

27. Finance Costs

(₹ in Lacs)

Particulars	2019-20		2018-19	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	3,09,737	-	2,84,312
Interest on debt securities	-	32,695	-	32,737
Interest on subordinated liabilities	-	34,197	-	30,364
Other interest expense	-	2,318	-	11,284
Total	**-**	**3,78,947**	**-**	**3,58,697**

28. Impairment on Financial Instruments (Net)

(₹ in Lacs)

Particulars	2019-20		2018-19	
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans	1,354	38,821	3,621	40,289
Investments	-	2,081	-	3,038
Other financial assets	-	(1,021)	-	418
Total	**1,354**	**39,881**	**3,621**	**43,745**

29. Employee Benefits Expenses

(₹ in Lacs)

Particulars	2019-20	2018-19
Salaries and wages	18,089	24,082
Contribution to provident and other funds	1,248	1,462
Staff welfare expenses	276	491
Total	**19,613**	**26,035**

30. Administrative and Other Expenses

(₹ in Lacs)

Particulars	2019-20	2018-19
Rent, Taxes and Energy Costs	1,337	3,763
Repairs and Maintenance	5,026	3,618
Communication Costs	464	491
Printing and Stationery	228	322
Advertisement and Publicity	649	1,080
Director's Fees, Allowances and Expenses	142	127
Auditor's Fees and Expenses	264	394
Legal and Professional Charges	6,971	8,860
Insurance	227	345
Corporate Social Responsibility Expenses (refer Note No. 30.1)	497	838
Travelling & Conveyance	3,227	4,841
Other Expenditure	3,064	3,105
Total	**22,096**	**27,784**

30.1 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	2019-20	2018-19
Gross amount required to be spent during the year	933	788
Amount spent during the year		
- Construction / acquisition of any asset	-	-
- On purposes other than above	497	838
Paid in Cash	497	838
Yet to be paid in cash	-	-

31. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

Particulars		2019-20	2018-19
Profit after Tax attributable to the Equity Shareholders (₹ in Lacs)	(A)	8,875	48,678
Basic and Diluted			
(a) Number of Equity Shares at the beginning of the year		50,30,86,333	50,30,86,333
(b) Number of Equity Shares issued during the year		-	-
(c) Number of Equity Shares at the end of the year		50,30,86,333	50,30,86,333
(d) Weighted average number of Equity Shares outstanding during the year	(B)	50,30,86,333	50,30,86,333
(e) Nominal Value of each Equity Share (₹)		10	10
Basic and Diluted Earnings per Equity Share (₹)	**(A/B)**	**1.76**	**9.68**

32. Contingent Liabilities and Commitments (To the Extent Not Provided For)

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
A. Contingent Liabilities		
(a) Claims against the Group not acknowledged as debts:		
Income Tax	15,178	14,400
Service Tax	6,549	6,549
Central Sales Tax	241	318
Entry Tax	80	-
Value Added Tax (VAT)	1,562	1,493
ESIC	3	-
Claims under dispute	-	22,405
(b) Guarantees:		
Bank Guarantees	55,297	66,557
Total	**78,910**	**1,11,722**
B. Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	144	3,400
On account of Letter of Credit	-	-
Other Commitments	2,003	2,003

33. Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group 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 Group 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 Group 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 of the Company.

34. Regulatory Capital (Capital Adequacy Ratio)

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Tier I capital	15,301	1,43,602
Tier II capital	-	63,632
Total capital	**15,301**	**2,07,234**
Risk weighted assets	71,595	13,31,383
Tier I Ratio (%)	21.37	10.79
Tier II Ratio (%)	-	4.78

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 of the Company. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds, deposits and loans of the Company.

The aforesaid figures on regulatory capital are as per 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.

35. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Group and provides additional information on consolidated balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.19 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 Group's financial instruments:

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	40,059	40,059	31,293	31,293
ii) Bank Balance other than (i) above	1,31,980	1,31,980	1,71,208	1,71,208
iii) Trade Receivables	18,148	18,148	28,236	28,236
iv) Other Receivables	-	-	-	-
v) Loans	27,09,162	27,12,716	25,21,722	25,35,001
vi) Investments	1,496	1,496	21,959	21,959
vii) Other Financial Assets	42,196	42,196	70,854	70,854
Sub-total	**29,43,041**	**29,46,595**	**28,45,272**	**28,58,551**
b) Measured at Fair value through Profit or Loss				
i) Derivative Financial Instruments	29,992	29,992	8,242	8,242
ii) Loans	83,923	83,923	40,060	40,060
iii) Investments	64,655	64,655	1,11,689	1,11,689
iv) Other financial assets	51,015	51,015	21,022	21,022
Sub-total	**2,29,585**	**2,29,585**	**1,81,013**	**1,81,013**
c) Measured at Fair value through Other Comprehensive Income				
i) Investments	42,969	42,969	78,205	78,205
ii) Loans	1,10,097	1,10,097	2,52,621	2,52,621
Sub-total	**1,53,066**	**1,53,066**	**3,30,826**	**3,30,826**
d) Measured at Cost				
i) Investment in Subsidiaries & Associates	-	-	-	-
Sub-total	**-**	**-**	**-**	**-**
Total Financial Assets	**33,25,692**	**33,29,246**	**33,57,111**	**33,70,390**
Financial Liabilities				
a) Measured at Amortised Cost				
i) Trade Payables	1,13,432	1,13,432	1,68,692	1,68,692
ii) Debt Securities	2,62,725	2,61,681	3,61,352	3,65,332
iii) Borrowings (Other than Debt Securities)	26,84,368	26,82,416	26,69,115	26,65,682
iv) Subordinated Liabilities	2,84,811	2,74,958	3,35,611	3,36,603
v) Lease Liabilities	3,563	3,563	-	-
vi) Other Financial Liabilities	30,198	30,198	48,856	48,856
Sub-total	**33,79,097**	**33,66,248**	**35,83,626**	**35,85,165**
b) Measured at Fair Value through Profit or Loss				
i) Derivative Financial Instruments	4,146	4,146	5,725	5,725
Sub-total	**4,146**	**4,146**	**5,725**	**5,725**
Total Financial Liabilities	**33,83,243**	**33,70,394**	**35,89,351**	**35,90,890**

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 Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average lending rate.

Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average borrowing rate.

Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

B) Fair value hierarchy

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

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

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	29,992	-	29,992
Loans	-	-	1,94,020	1,94,020
Investments	7,040	10,042	90,542	1,07,624
Other Financial Assets	-	-	51,015	51,015
	7,040	**40,034**	**3,35,577**	**3,82,651**
Financial Liabilities				
Derivative Financial Instruments	-	4,146	-	4,146
	-	**4,146**	**-**	**4,146**

(₹ in Lacs)

Particulars	As at 31st March, 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	8,242	-	8,242
Loans	-	-	2,92,681	2,92,681
Investments	22,777	10,044	1,57,073	1,89,894
Other Financial Assets	-	-	21,022	21,022
	22,777	**18,286**	**4,70,776**	**5,11,839**
Financial Liabilities				
Derivative Financial Instruments	-	5,725	-	5,725
	-	**5,725**	**-**	**5,725**

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lacs)

Particulars	Fair Value As at		Fair Value Hierarchy	Valuation Technique and Key Input	Significant Unobservable Input
	31st March, 2020	31st March, 2019			
Financial Assets					
Derivative Financial Instruments	29,992	8,242	Level 2	Note (i)	Not Applicable
Loans	1,94,020	2,92,681	Level 3	Note (ii)	Note (vii) & (ix)
Other Financial Assets	51,015	21,022	Level 3	Note (ii)	Note (x)
Investments	7,040	22,777	Level 1	Note (iii)	Not Applicable
Investments	10,042	10,044	Level 2	Note (iv) & (v)	Not Applicable
Investments	90,542	1,57,073	Level 3	Note (vi)	Note (vii) & (viii)
Financial Liabilities					
Derivative Financial Instruments	4,146	5,725	Level 2	Note (i)	Not Applicable

(i) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

(ii) Income Approach

The discounted cash flow method was used to capture the present value of the the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

(iii) Quoted Prices.

Quoted bid prices of an active market was used.

(iv) Comparable Company Method

Relevant information from companies operating in similar economic environment and industry was used.

(v) Price to Revenue/Earnings Multiple Method

Price was derived as a multiple of revenue/earnings.

(vi) Other Inputs

(a) Market Multiple Method: Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method: Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method: Value of the underlying net assets of the business.

(vii) Discount rate, determined using the average cost of borrowing + spread and contract yield rates.

(viii) Estimated future cash flows.

(ix) The fair value of loans is derived based on the valuation of the underlying assets.

(x) Probability of recovery and discount rate considered by the Valuer.

Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Loans		Investments		Other Financial Assets	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Opening Balance	2,92,681	5,44,510	1,57,073	1,37,127	21,022	39,209
Purchases	1,55,388	2,77,703	4,143	8,036	58,195	-
Sales/ Repayments	(2,81,334)	(5,35,641)	(64,914)	4,885	(21,022)	(15,179)
Transfers into Level 3	-	-	-	-	-	-
Transfers from Level 3	-	-	-	-	-	-
Unrealised income/(loss)	24,769	3,440	(6,821)	7,025	(7,180)	(3,008)
Other Comprehensive Income	2,516	2,669	1,061	-	-	-
Closing Balance	**1,94,020**	**2,92,681**	**90,542**	**1,57,073**	**51,015**	**21,022**

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.

(₹ in Lacs)

Reconciliation	As at 31st March, 2020		As at 31st March, 2019	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans	5,778	(5,471)	8,562	(8,170)
Investments	4,920	(4,414)	2,250	2,227
Other Financial Assets	2,067	(1,954)	1,473	112
Total	**12,765**	**(11,839)**	**12,285**	**(5,831)**

C) Financial risk management objectives

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.

Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Group's senior management. It defines the strategy for managing liquidity and interest rate risks in the business.

a) Market risk

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

Foreign Currency Exposure (₹ in Lacs)

As at 31st March, 2020	USD	Euro	Total
Cash and Cash Equivalents	5	-	5
Borrowings (Other than Debt Securities)	1,97,384	85,612	2,82,996

Foreign Currency Exposure (₹ in Lacs)

As at 31st March, 2019	USD	Euro	Total
Cash and Cash Equivalents	4	-	4
Liability for Expenses	86	-	86
Borrowings (Other than Debt Securities)	1,82,480	90,488	2,72,968

Hedged Foreign Currency balances (₹ in Lacs):	Currency	As at 31st March, 2020	As at 31st March, 2019
Borrowings (Other than Debt Securities)	USD	1,97,384	1,82,480
	EUR	85,612	90,488

Foreign currency sensitivity

Foreign Currency Sensitivities (impact on increase in 2%) (₹ in Lacs)

Currency	As at 31st March, 2020	As at 31st March, 2019
USD	(3,948)	(3,651)
EUR	(1,712)	(1,810)

The Group has entered into Spots, Forwards and Currency Swaps to manage its foreign currency risk. Hence, the Group's profit and loss and equity is not exposed to such foreign currency sensitivity.

Note: If the rate is decreased by 2%, profit of the group will increase by an equal amount.

ii. Interest rate risk

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The Group 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 group is further exposed to interest rate risk as the group lends funds at floating interest rates.

Interest Rate Exposure (₹ in Lacs)

As at 31st March, 2020	INR	EUR	USD	Others#	Total
Financial Assets					
Loans	19,41,670	-	-	-	19,41,670
Financial Liabilities					
Borrowings (Other than Debt Securities)	20,97,662	85,612	1,95,873	-	23,79,147
Subordinated Liabilities	15,000	-	-	-	15,000
As at 31st March, 2019	**INR**	**EUR**	**USD**	**Others#**	**Total**
Financial Assets					
Loans	21,28,614	-	-	-	21,28,614
Financial Liabilities					
Borrowings (Other than Debt Securities)	19,75,089	90,488	1,75,246	-	22,40,823
Subordinated Liabilities	15,000	-	-	-	15,000

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 Group's consolidated statement of profit and loss and equity.

Interest Rate Sensitivities for outstanding exposure (impact on increase in 2%) (₹ in Lacs)

Currency	As at 31st March, 2020	As at 31st March, 2019
INR	(3,420)	2,771
EUR	(1,712)	(1,809)
USD	(3,917)	(3,505)

Figures in brackets indicate decrease in profit

In some cases, the Group has entered into cross currency swap and interest rate swaps to manage its interest rate risk. The Group's profit and loss and equity is not exposed to interest rate sensitivity to that extent.

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

Note: If the rate is decreased by 2%, profit of the group will increase by an equal amount.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit and Loss/ fair value through Other Comprehensive Income as at 31st March, 2020 is ₹ 7,018 Lacs (31st March, 2019: ₹ 23,389 Lacs)

A 10% change in equity prices of such securities held as at 31st March, 2020 and 31st March, 2019 would result in an impact of ₹ 702 Lacs in 31st March, 2020 (31st March, 2019 ₹ 2,339 Lacs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

b) Liquidity risk

Liquidity risk is the risk that the Group 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 Group-specific and market-wide events.

Liquidity risk management : (₹ in Lacs)

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
A: Financial Assets										
i) Cash and Cash Equivalents	316	39,743	-	-	40,059	272	31,021	-	-	31,293
ii) Bank Balance other than (i) above	36	31,594	94,363	5,987	1,31,980	52	46,337	1,00,003	24,816	1,71,208
iii) Derivative Financial Instruments	-	29,992	-	-	29,992	2,526	5,716	-	-	8,242
iv) Trade & Other Receivables	-	18,815	21	160	18,996	-	41,669	-	-	41,669
v) Loans*	-	1,74,144	5,33,357	23,58,000	30,65,501	-	4,80,999	5,00,882	19,68,532	29,50,413
vi) Investments	-	2,315	5,728	1,01,077	1,09,120	-	7,932	75,640	1,35,912	2,19,484
vii) Other Financial Assets	4	14,187	10,214	70,218	94,623	-	14,119	63,224	21,617	98,960
Total	**356**	**3,10,790**	**6,43,683**	**25,35,442**	**34,90,271**	**2,850**	**6,27,793**	**7,39,749**	**21,50,877**	**35,21,269**
B: Financial Liabilities										
i) Derivative Financial Instruments	-	4,146	-	-	4,146	423	5,302	-	-	5,725
ii) Trade Payables	-	56,896	55,847	689	1,13,432	-	59,071	98,297	11,324	1,68,692
iii) Borrowings#	-	4,77,748	17,19,298	10,45,487	32,42,533	-	4,63,514	12,13,027	17,04,703	33,81,244
iv) Lease Liability	-	173	548	2,842	3,563	-	-	-	-	-
v) Other Financial Liabilities	36	7,214	5,328	21,843	34,421	302	12,155	3,776	45,805	62,038
Total	**36**	**5,46,177**	**17,81,021**	**10,70,861**	**33,98,095**	**725**	**5,40,042**	**13,15,100**	**17,61,832**	**36,17,699**

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.

* The subsidiary company, i.e. Srei Equipment Finance Limited has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by it, amounting to ₹ 3,78,104 as at 31st March, 2020, which have been considered in "Loans" above while arriving at the maturity pattern. The Company had decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given it, amounting to ₹ 365,832 Lacs as at 31st March, 2019, which had been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
Loans	-	-	1,91,131	1,86,973	3,78,104	-	95,404	1,11,827	1,58,601	3,65,832
	-	**-**	**1,91,131**	**1,86,973**	**3,78,104**	**-**	**95,404**	**1,11,827**	**1,58,601**	**3,65,832**

c) Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

Credit risk is monitored by the credit risk department of the Group's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group conducts an industry analysis to determine the risk level of each industry which the Group is exposed to. The Group also performs portfolio analysis to analyze the correlations between different exposures, assess risk at an overall portfolio, and assess concentration risks in the portfolio. The Group also conducts stress testing at portfolio level to assess the impact on stress situations on the Group's portfolio. The corrective action taken by the Group includes obtaining collaterals which are easy to liquidate, which have high marketability and re-sale value.

36. Transfers of financial assets

Transfers of financial assets that are not derecognised in their entirety :

(i) The group has also carried out securitisation transactions wherein it has securitised loans. Even though the loan assets have been securitised, the Company still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns are dependent on the realisation from the securitised loan assets, leading to company bearing the risk of non-realisation from the pool.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying amount of assets	49,525	1,18,779
Carrying amount of associated liabilities	52,169	1,23,033
Fair value of assets	50,181	1,20,331
Fair value of associated liabilities	52,468	1,21,552

(ii) Assignment of Non-Performing Loan Assets to Asset Reconstruction Company (ARC):

The group has carried out an assignment transaction wherein it has assigned Non-Performing Loan Accounts to an Asset Reconstruction Company by transferring the loan assets to a Special Purpose Entity and subscribed to 85% of the total value of security receipts issued by the Trust. Even though the loan assets have been assigned, the group still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns from the Security Receipts are dependent on the realisation from the assigned loan assets, leading to group bearing the risk of non-realisation from the pool to the extent of its investment in Security Receipts.

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.

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying amount of assets	1,573	20,400
Carrying amount of associated liabilities	-	-
Fair value of assets	1,573	20,400
Fair value of associated liabilities	-	-

37. Assets obtained by taking possession of collateral

The Group obtained the following non-financial assets during the year by taking possession of assets held as security against loans or third party security and held at the year end. The Group's policy is to determine whether such asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets acquired in satisfaction of debt at their fair value or carrying value, whichever is lower. The Group's policy is to realise collateral on a timely basis.

The table below outlines the nature and values of assets acquired in satisfaction of debt obtained during the year.

(₹ in Lacs)

Particulars	19-20	18-19
Land	-	2,265
Others	36,854	15,391
Total assets obtained by taking possession of collateral	**36,854**	**17,656**

38. Disclosure pursuant to Ind AS 19 - Employee Benefits

Defined contribution plans

The Group has recognised, in Consolidated Statement of Profit and Loss for the year ended 31st March, 2020 an amount of ₹ 943 Lacs (Previous year ₹ 1,112 Lacs) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Group makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the Group. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Group have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Group makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Group's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

Risk Management

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

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

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2020.

38.1 Particulars in respect of employee benefits of the Group are as follows :-

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Change in the defined benefit obligation				
Present Value of Obligation at the Beginning of the Year	1,676	1,595	832	946
Current Service Cost	222	266	145	109
Interest Cost	102	112	34	47
Past Service Cost - Plan Amendments	-	-	-	-
Acquisitions Cost / credit	-	-	-	-
Actuarial (gain)/loss	(123)	13	281	409
Actuarial (gain)/loss - financial assumptions	104	13	46	6
Actuarial (gain)/loss - demographic assumptions	-	-	-	-
Adjustment on disposal / cessation of Subsidiaries	-	(102)	-	(41)
Benefits paid	(452)	(221)	(661)	(644)
Present Value of Obligation at the end of the Year	**1,529**	**1,676**	**677**	**832**
Change in plan assets				
Fair value of Plan Assets at the Beginning of the Year	1,003	1,092	NA	NA
Expected return on Plan Assets	-	3	NA	NA
Interest income on Plan Assets	57	73	NA	NA
Acquisitions Cost/credit	-	-	NA	NA
Contributions by the Employer	103	61	NA	NA
Return on Plan assets greater/(lesser) than discount rate	(13)	-	NA	NA
Adjustment on disposal / cessation of Subsidiaries	-	(15)	NA	NA
Benefits paid	(433)	(211)	NA	NA
Fair value of Plan Assets at the end of the Year	**717**	**1,003**	**NA**	**NA**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Basis used to determine the Expected Rate of Return on Plan Assets

The expected return on plan assets is determined based on government bond rate.

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Amount recognised in Consolidated Balance Sheet consists of:				
Fair value of Plan Assets at the end of the Year	717	1,003	-	-
Present Value of Obligation at the end of the Year	1,529	1,676	677	832
Net (Asset)/Liabilities recognised in the Consolidated Balance Sheet in respect of defined benefits	812	673	677	(316)

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Expenses recognised in the consolidated statement of profit and loss consists of:				
Employee benefits expenses:				
Current Service cost	222	266	145	109
Past Service Cost - Plan Amendments	-	-		-
Net Interest cost	40	37	34	47
Net Actuarial (gain)/loss	-	-	325	415
Total [A]	**262**	**303**	**504**	**571**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	(84)	5	13	-
Actuarial (Gain) / Loss from financial assumptions	65	21	(13)	-
Return on plan assets (excluding amounts included in net interest cost)	18	3	(1)	-
Total [B]	**(1)**	**29**	**(1)**	**-**
Expense recognised during the year [A+B]	**261**	**332**	**503**	**571**

38.2 Particulars of Investment Details of Plan Assets are as follows :

Description	Gratuity % Invested		Leave % Invested	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Investment Details of Plan Assets				
Schemes of insurance- conventional products	100%	100%	Not Applicable	
Total	**100%**	**100%**		

38.3 Principal Assumptions used are as follows:

Discount rate per annum	6.70%	7.50%	6.70%	7.15%
Salary escalation rate per annum	5.00%	10.00%	5.00%	10.00%

38.4 The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

38.5 Sensitivity Analysis

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

Description	As at 31st March, 2020				As at 31st March, 2019			
	Gratuity		Leave		Gratuity		Leave	
	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)
Discount Rate + 100 basis points	-9.37%	(144)	-9.38%	(63)	-10.02%	(160)	-10.20%	(82)
Discount Rate - 100 basis points	10.85%	167	10.97%	74	11.70%	187	11.98%	96
Salary Increase Rate + 1%	9.19%	141	11.04%	75	8.75%	140	11.98%	96
Salary Increase Rate – 1%	-8.26%	(127)	-9.59%	(65)	-8.14%	(130)	-10.39%	(83)

38.6 Maturity Analysis Of The Benefit Payments (₹ in Lacs)

Expected payment for future years	As at 31st March, 2020		As at 31st March, 2019	
	Gratuity	Leave	Gratuity	Leave
Year 1	42	22	42	24
Year 2	83	31	57	26
Year 3	134	73	103	41
Year 4	134	46	150	62
Year 5	112	36	161	48
Next 5 Years	977	344	1,116	345

38.7 Weighted average duration of defined benefit obligations: 9 years (Previous year: 13 years).

39. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

Related Parties:

Holding Company:	**Country of Origin**
Adisri Commercial Private Limited	India
Subsidiary of Holding Company:	**Country of Origin**
Srei Factors Private Limited (w.e.f. 02.01.2019)	India
Associates & Related Subsidiaries:	**Country of Origin**
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	India
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	India
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
AO International Infrastructure Services, Russia (Formerly AO Srei Leasing, Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
Sahaj Retail Limited (Subsidiary of E Village Kendra Limited)	India
Rural Innovation Labs Pvt. Ltd (ceased to be Subsidiary of E Village Kendra Limited w.e.f. 01.10.2018)	India

Others :	
Srei Infrastructure Finance Limited Employees Gratuity Fund	
Key Management Personnel (KMP):	
Name	**Designation**
Mr. Hemant Kanoria	Chairman
Mr. Sameer Sawhney (upto 05.09.2018)	Chief Executive Officer
Mr. Rakesh Kumar Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer
Mr. Sandeep Lakhotia	Company Secretary
Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Financial Officer
Mr. Sanjeev Sancheti (from 28.04.2018 to 19.05.2019)	Chief Strategy Officer
Mr. Chandrasekhar Mukherjee#	Group Chief People Officer
Mr. Samir Kumar Kejriwal#	Senior Vice President
Mr. Debashis Ghosh#	Internal Auditor
Mr. Shashi Bhushan Tiwari (w.e.f. 20.05.2019)	Chief Risk Officer
Mr. Malay Mukherjee	Independent Director
Mr. Srinivasachari Rajagopal	Independent Director
Mr. Shyamalendu Chatterjee	Independent Director
Dr. Punita Kumar Sinha	Independent Director
Mr. Ram Krishna Agarwal	Independent Director
Mr. Sunil Kanoria	Vice Chairman (Non Executive Director)
Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Independent Director
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018 upto 13.11.2019)	Non Executive & Non Independent Director

#Designated as KMP from 28.04.2018 to 03.02.2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Details of Related Party Transactions: (₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2020	Balance As at 31st March, 2020	For the Year ended 31st March, 2019	Balance As at 31st March, 2019
(A) Holding Company :					
Adisri Commerical Private Limited	Dividend Paid	-	-	1,518	-
(B) Associates:					
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	Loan Advanced	-	-	2,787	14,878
	Refund of Loan Advanced	14,878	-	-	-
	Rental Received	-	-	85	148
	Purchase of Services (Excluding Tax)	68	-	13	155
	Sale of Receivables	-	-	-	-
	Interest Received on Loan	323	-	1,242	-
	Interest Paid on Margin Money	-	-	12	-
	Financial Guarantee Income	84	-	32	-
	Financial Guarantee Expenses	4	-	8	-
	Deposit Received	-	-	770	152
	Deposit Refunded	152	-	618	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	4
	Financial Guarantee Contract Liability	-	-	-	84
	Corporate Guarantee to the extent of facility outstanding [Guarantee Amount ₹ Nil, 31 March, 2019: ₹ 9,544 Lacs]	-	-	-	407
	Put Option to Bank against loan facility outstanding [Put Option Amount - ₹ Nil, 31st March, 2019: ₹ 1,500 Lacs)	-	-	-	1,193
	Guarantee of Put option against Loan facility closed	1,500	-	1,000	-
	Corporate Guarantee Closed	9,544	-	-	-
	Commitment against credit facility closed	-	-	380	-
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	Loan Advanced	-		2,882	
	Interest Received on Loan	-	-	423	-
Rural Innovation Labs Pvt. Ltd (ceased to be Subsidiary of Sahaj e-Village Ltd. w.e.f. 01.10.2018)	Loan Advanced	-	-	110	-
	Refund of Loan Advanced	-	-	500	-
	Interest Received on Loan	-	-	28	-

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2020	Balance As at 31st March, 2020	For the Year ended 31st March, 2019	Balance As at 31st March, 2019
(C) Remuneration to Key Management Personnel (KMP):					
Mr. Hemant Kanoria	Remuneration	744	59	698	46
	Commission	-	-	306	306
	Dividend Paid	-	-	4	-
Mr. Sandeep Lakhotia	Remuneration	94	-	95	-
	Dividend Paid	-	-	3	-
Mr. Sameer Sawhney (upto 05.09.2018)	Remuneration	-	-	66	-
Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Remuneration	312	-	159	-
Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Remuneration	79	-	67	-
Mr. Sanjeev Sancheti (from 28.04.2018 to 19.05.2019)	Remuneration	20	-	152	-
	Dividend Paid	-	-	3	-
Mr. Chandrasekhar Mukherjee (from 28.04.2018 to 03.02.2019)	Remuneration	-	-	207	-
Mr. Samir Kumar Kejriwal (from 28.04.2018 to 03.02.2019)	Remuneration	-	-	39	-
	Dividend Paid	-	-	0.04	-
Mr. Debashis Ghosh	Dividend Paid	-	-	0.14	-
Mr. Shashi Bhushan Tiwari (w.e.f. 20.05.2019)	Consultancy	53	-	-	-
Mr. Sunil Kanoria	Remuneration	498	30	455	27
	Commission Paid	-	-	314	314
	Dividend Paid	-	-	18	-
	Sitting Fees	11	-	11	-
Mr. Malay Mukherjee	Commission Paid	-	-	8	8
	Sitting Fees	8	-	8	-
Mr. S.Rajagopal	Commission Paid	-	-	8	8
	Sitting Fees	8	-	9	-
Mr. S.Chatterjee	Commission Paid	-	-	8	8
	Sitting Fees	13	-	30	-
Dr. Punita Kumar Sinha	Commission Paid	-	-	8	8
	Sitting Fees	7	-	8	-
Mr. Ram Krishna Agarwal	Commission Paid	-	-	8	8
	Sitting Fees	7	-	7	-
Dr. Tamali Sengupta	Sitting Fees	9	-	1	-
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Sitting Fees	4	-	4	-
	Consultancy	134	-	70	-
	Loan Advanced	-	-	75	75
	Refund of Loan Advanced	75	-	-	-
	Interest Received on Loan	9	-	-	-

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2020	Balance As at 31st March, 2020	For the Year ended 31st March, 2019	Balance As at 31st March, 2019
(D) Transaction with Relative of KMP:					
Mr. Anant Raj Kanoria (Son of Mr. Sunil Kanoria)	Consultancy	-	-	6	-
(E) Others :					
Srei Infrastructure Finance Limited Employees Gratuity Fund	Contribution towards Gratuity	103	-	-	-

(F)

(i) The remuneration paid by the Company to its Chairman during the year is in excess of the limits laid down under Section 197 of the Act, for which the Company will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

(ii) The remuneration paid by one of the subsidiary i.e. Srei Equipment Finance Limited (SEFL), to its Chairman, Vice Chairman and Managing Director during the year is in excess of the limits laid down under sub-section (3) of Section 197 of the Companies Act, 2013, for which SEFL will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

(G) Compensation to KMPs:

(₹ in Lacs)

Particulars	2019-20	2018-19
Short-term benefit	1,853	2,582
Other long-term employee benefit	38	60
Post-employment benefit	204	209

40. LEASES

a. In the capacity of Lessee

The Group has adopted Ind AS 116 “Leases” effective from 1st April, 2019 which resulted in recognition of Right-of-use Assets and Lease Liability each amounting to ₹ 5,153 Lacs as at 1st April, 2019. Accordingly, the comparative figures have not been retrospectively restated or adjusted. During the current year, the nature of expenses in respect of operating leases, where the Group is lessee, has changed from lease rent in previous periods to depreciation cost for the Right-of-use Assets and finance cost for interest accrued on Lease Liability. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31st March, 2019. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(i) The Group has certain cancellable operating lease arrangements for office premises, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals.

(ii) Disclosure in accordance to Ind AS 116 is as below:

(₹ in Lacs)

No.	Particulars	19-20	18-19
a	Short term lease payment	2,023	#
b	Expense relating to leases of low-value assets	-	
c	Variance lease payments not included in the measurement of lease liability	-	
d	Income from subleasing right of use assets	688	
e	Total Cash outflow for leases	3,411	
f	Interest expense on Lease liability	459	

Ind AS 116 is applicable w.e.f. 01.04.2019, therefore, figure of previous year is not available on similar basis.

g. The future lease payments considered for lease liability on an undiscounted basis are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2020
Less than one year	1,264
One to five years	3,056
More than five years	91
Total	**4,411**

h. Details of right of use assets and its movement is as below:

(₹ in Lacs)

Particulars	As at 1st April, 2019	Additions	Adjustment	As at 31st March, 2020
Office Premises:				
Right of use Assets	5,153	-	682	4,471
Accumulated Depreciation/ Amortisation	-	1,105	5	1,100
Net Carrying amount				**3,371**

b. In the capacity of Lessor

(i) The Group has given assets on Operating lease for periods ranging between 1 to 20 years. Some of the agreements were cancellable. 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, 2020 is amounting to ₹ 494 Lacs (As at March 31st, 2019 : ₹ 895 Lacs)

(ii) The Group also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms.

(iii) Details of rental income towards operating lease for assets and office premises including sublease are as follows:

(₹ in Lacs)

Particulars	19-20	18-19
Rental Income on the basis of earnings of the Lessee	456	850
Others	1,20,254	1,27,139
Total Rental Income	**1,20,710**	**1,27,989**

(iv) Details of fixed future lease receivable towards operating lease for assets and office premises are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within 1 year	86,864	1,29,164
1-2 year	72,183	85,700
2-3 year	34,515	71,747
3-4 year	11,518	34,083
4-5 year	2,678	11,202
> 5 year	322	2,643
Total	**2,08,080**	**3,34,539**

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.

(₹ in Lacs)

Assets	As at 31st March, 2020			As at 31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	40,059	-	40,059	31,293	-	31,293
Bank Balance other than above	1,25,993	5,987	1,31,980	1,46,391	24,817	1,71,208
Derivative Financial Instruments	29,992	-	29,992	8,242	-	8,242
Trade Receivables	18,039	109	18,148	28,236	-	28,236
Other Receivable	-	-	-	-	-	-
Loans *	6,80,207	22,22,975	29,03,182	9,58,542	18,55,861	28,14,403
Investments	8,042	1,01,078	1,09,120	83,571	1,28,282	2,11,853
Other Financial Assets	23,732	69,479	93,211	71,854	20,022	91,876
Inventories	-	-	-	-	-	-
Current Tax Assets (Net)	14,454	6,442	20,896	-	14,109	14,109
Deferred Tax Assets (Net)	-	23,261	23,261	-	19,417	19,417
Investment Property	-	1,765	1,765	-	1,801	1,801
Property, Plant and Equipment	-	3,66,466	3,66,466	-	5,01,178	5,01,178
Capital Work-in-Progress	-	233	233	-	489	489
Rights of Use - Assets	47	3,324	3,371	-	-	-
Other Intangible Assets	-	452	452	-	570	570
Other Non-Financial Assets	53,824	2,599	56,423	1,07,497	17,708	1,25,205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

(₹ in Lacs)

Liabilities	As at 31st March, 2020			As at 31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	4,146	-	4,146	5,725	-	5,725
Trade Payables	1,12,743	689	1,13,432	1,57,368	11,324	1,68,692
Debt Securities	49,748	2,12,977	2,62,725	1,20,790	2,40,562	3,61,352
Borrowings (Other than Debt Securities)	21,18,591	5,65,777	26,84,368	14,90,966	11,78,149	26,69,115
Subordinated Liabilities	24,950	2,59,861	2,84,811	60,064	2,75,547	3,35,611
Lease Liability	720	2,843	3,563	-	-	-
Other Financial Liabilities	12,286	17,912	30,198	15,516	33,340	48,856
Provisions	331	1,684	2,015	444	1,652	2,096
Other Non-Financial Liabilities	6,451	5,374	11,825	4,083	13,986	18,069

* The subsidiary company, i.e. Srei Equipment Finance Limited has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by it, amounting to ₹ 3,78,104 as at 31st March, 2020, which have been considered in "Loans" above while arriving at the maturity pattern. The Company had decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given it, amounting to ₹ 365,832 Lacs as at 31st March, 2019, which had been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Assets	As at 31st March, 2020			As at 31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Loans	1,91,131	1,86,973	3,78,104	2,07,231	1,58,601	3,65,832

42. Segment Reporting

The Chief Operating Decision-Maker (CODM) assess the financial performance and position of and makes strategic decisions. Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of services offered.

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2020 and in respect of assets/ liabilities as at 31st March, 2020 – denoted as "CY" below, previous year denoted as "PY") as required by Ind AS - 108, "Operating Segments" are as under:-

(₹ in Lacs)

Particulars	Financial Services		Infrastructure Equipment Services		Others		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Gross Segment Revenue	6,11,805	6,28,488	-	31,781	320	242	6,12,125	6,60,511
Less: Inter Segment Revenue	331	1,845	-	3,536	312	156	643	5,537
Net Segment Revenue	6,11,474	6,26,643	-	28,245	8	86	6,11,482	6,54,974
Segment Result before Interest & Finance Charges	3,93,179	4,20,366	-	5,163	(61)	(44)	3,93,118	4,25,485
Interest & Finance Charges	3,78,947	3,57,786	-	906	-	5	3,78,947	3,58,697
Tax Expenses							5,296	18,082
Share of Profit/ (Loss) of Associates							-	(28)
Profit After Tax							**8,875**	**48,678**
Segment Assets	37,76,638	39,97,956	-	-	1,929	2,021	37,78,567	39,99,977
Unallocable Assets							20,758	20,669
Total Assets	**37,76,638**	**39,97,956**	**-**	**-**	**1,929**	**2,021**	**37,99,325**	**40,20,646**
Segment Liabilities	33,97,038	36,09,439		-	9	25	33,97,047	36,09,464
Unallocable Liabilities							36	52
Total Liabilities	**33,97,038**	**36,09,439**	**-**	**-**	**9**	**25**	**33,97,083**	**36,09,516**
Capital Expenditures	29,087	1,05,730	-	60	-	-	29,087	1,05,790
Depreciation, Amortisation and Impairment	78,457	81,019	-	446	45	45	78,502	81,510
Other Non-Cash Expenditure							41,235	47,366

42.1 Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate is ₹ 1,222 Lacs (Previous year: ₹ 8,085 Lacs). It has been accounted for as per Ind AS 110, "Consolidated Financial Statements".

43. Disposal of Subsidiaries and Associate

The Company completed the sale of the controlling stake in the following subsidiaries :

a) Quippo Energy Limited (ceased to be a subsidiary w.e.f 28.03.2019)

b) Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)

The Company disposed its following associates:

a) Attivo Economic Zone (Mumbai) Private Limited on 29.09.2018.

b) E Village Kendra Limited (formerly Sahaj e-Village Limited) on 01.01.2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

i) Details of Net Assets of Subsidiaries disposed off: (₹ in Lacs)

Particulars	2019-20	2018-19
Total Assets (A)	-	37,842
Total Liabilities (B)	-	37,329
Net assets disposed off (A-B)	**-**	**513**

ii) Gain / (Loss) on disposal of Subsidiaries (₹ in Lacs)

Particulars	2019-20	2018-19
Sale Consideration - In Cash	-	513
Less : Net Assets disposed off	-	750
Total	**-**	**(237)**
Adjustments in respect of :		
Elimination of unrealised profits and pre-acquisition profits	-	10,661
Impairment and Fair Value Adjustments	-	(2,335)
Gain on disposal	**-**	**8,089**

iii) Gain / (Loss) on disposal of Associate (₹ in Lacs)

Particulars	2019-20	2018-19
Share of Profit/(Loss) of Associate now reversed as a result of disposal	1,222	(4)
Gain / (Loss) on disposal of Associate	**1,222**	**(4)**

44. Additional Information as per Schedule III of The Companies Act, 2013

(₹ in Lacs)

Sl. No.	Name of the entity	As at 31st March, 2020		2019-20					
		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent									
1	Srei Infrastructure Finance Limited	2.26%	9,106	2.39%	212	115.55%	(15,797)	325.57%	(15,585)
Subsidiaries									
Indian:									
1	Srei Capital Markets Limited	0.18%	721	-2.26%	(201)	-0.10%	14	3.91%	(187)
2	Srei Equipment Finance Limited	96.64%	3,88,705	83.22%	7,581	-19.58%	2,676	-214.27%	10,257
3	Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	0.39%	1,558	2.30%	204	4.18%	(572)	7.69%	(368)
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.01%	28	-0.05%	(4)	0.00%	-	0.08%	(4)
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.00%	3	0.00%	-	0.00%	-	0.00%	-
6	Bengal Srei Infrastructure Development Limited	0.02%	67	0.08%	7	0.00%		-0.15%	7
7	Controlla Electrotech Private Limited	0.47%	1,892	-0.71%	(63)	0.00%	-	1.32%	(63)
8	Srei Mutual Fund Asset Management Private Limited	0.00%	4	-1.92%	(171)	-0.04%	6	3.45%	(165)
9	Srei Mutual Fund Trust Private Limited	0.00%	5	-0.08%	(7)	0.00%	-	0.15%	(7)
10	Srei Insurance Broking Private Limited	0.03%	140	1.09%	97	-0.01%	2	-2.07%	99
11	Srei Mutual Fund Trust	0.00%	1	0.00%	-	0.00%	-	0.00%	-
12	Srei Finance Limited (Formerly Srei Asset Finance Limited)	0.00%	8	-0.02%	(2)	0.00%	-	0.04%	(2)
Adjustment on disposal/cessation of Associate		0.00%	-	13.76%	1,222	0.00%	-	-25.53%	1,222
Non-Controlling Interests in all subsidiaries		0.00%	4	-.10%	(9)	0.00%	-	0.19%	(9)
Associates (investment as per equity method)									
Indian:									
1	E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (investment as per equity method)									
Foreign:									
1	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	TOTAL	**100.00%**	**4,02,242**	**100.00%**	**8,884**	**100.00%**	**(13,671)**	**100.00%**	**(4,787)**

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

44. Additional Information as per Schedule III of The Companies Act, 2013

(₹ in Lacs)

Sl. No.	Name of the entity	As at 31st March, 2019		2018-19					
		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent									
1	Srei Infrastructure Finance Limited	28.84%	1,18,571	14.53%	7,072	140.89%	(12,672)	-14.11%	(5,600)
Subsidiaries									
Indian:									
1	Srei Capital Markets Limited	0.05%	194	0.03%	17	0.00%	-	0.04%	17
2	Srei Equipment Finance Limited	70.06%	2,88,034	60.92%	29,661	-40.79%	3,668	83.97%	33,329
3	Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	0.46%	1,903	0.20%	98	0.03%	(3)	0.24%	95
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.01%	21	-0.01%	(6)	0.00%	-	-0.02%	(6)
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.00%	6	0.00%	-	0.00%	-	0.00%	-
6	Bengal Srei Infrastructure Development Limited	0.03%	125	0.04%	19	0.00%	-	0.05%	19
7	Controlla Electrotech Private Limited	0.47%	1,926	-0.14%	(69)	0.00%	-	-0.17%	(69)
8	Srei Mutual Fund Asset Management Private Limited	0.00%	(7)	-0.56%	(273)	-0.03%	3	-0.68%	(270)
9	Srei Mutual Fund Trust Private Limited	0.00%	8	-0.01%	(7)	0.00%	-	-0.02%	(7)
10	Srei Insurance Broking Private Limited	0.08%	325	0.28%	136	-0.03%	3	0.35%	139
11	Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)	0.00%	-	6.72%	3,273	0.07%	(6)	8.23%	3,267
12	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to be a sub- subsidiary w.e.f 31.03.2019)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
13	Quippo Energy Limited (ceased to be a subsidiary w.e.f 28.03.2019)	0.00%	-	1.44%	700	-0.14%	13	1.80%	713
14	Srei Mutual Fund Trust	0.00%	1	0.00%	-	0.00%	-	0.00%	-
15	Srei Finance Limited (Formerly Srei Asset Finance Limited)	0.00%	10	0.00%	-	0.00%	-	0.00%	-
Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate		0.00%	-	16.61%	8,085	0.00%	-	20.37%	8,085
Non-Controlling Interests in all subsidiaries		0.00%	13	-0.01%	(7)	0.00%	-	-0.02%	(7)
Associates (investment as per equity method)									
Indian:									
1	E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (investment as per equity method)									
Foreign:									
1	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	0.00%	-	-0.06%	(28)	0.00%	-	-0.07%	(28)
	TOTAL	**100.00%**	**4,11,130**	**100.00%**	**48,685**	**100.00%**	**(8,994)**	**100.00%**	**39,691**

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

45. The financial statements of IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (IIS), a foreign associate company of the Company has been prepared as per IFRS, generally accepted accounting principles followed in the country of incorporation of the foreign associate company. As there are no material differences between such financial statements as per IFRS and as per Ind AS, no adjustments have been considered necessary.

46. The Board of Directors of the Company and its wholly-owned subsidiary, Srei Equipment Finance Limited ("SEFL") at their respective meetings held on 4th July, 2019 approved the transfer of Lending Business, Interest Earning Business & Lease Business of the Company together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (the "Transferred Undertaking"), as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement ("BTA"), in exchange of fully paid up equity shares to be issued and allotted by SEFL, subject to all necessary approvals. Pursuant to this, the Company signed BTA on 16th August, 2019 and an amendment to the, aforesaid, BTA on 14th November, 2019 with SEFL, pursuant to which it has entered into various assignment agreements, in connection with the Transferred Undertaking, with SEFL to give effect of the slump exchange and accordingly the Company and SEFL has passed the relevant accounting entries in their respective books of account effective 1st October, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. One of debenture holders of SEFL holding debentures amounting to ₹ 75 crores has objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. Pending the approvals as stated above, the Company had accounted for the slump exchange transaction on 1st October, 2019, as stated above. The Company has obtained expert legal and accounting opinions in relation to the accounting of the Slump Exchange Transaction which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and frame work.

47. The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets and slowdown in economic activities. On 24th March, 2020, the Indian Government announced a strict 21-day lock-down, which has been extended from time to time and which is still continued to be extended with or without relaxations across the country based on severity of the spread at local levels. The extent to which Covid-19 will impact the operations and business of the Company and its subsidiaries is dependent on the future developments, which is not ascertainable at this point of time.

48. The subsidiary company i.e. Srei Equipment Finance Limited, has applied moratorium on borrowings in accordance with COVID-19 Regulatory Package announced by RBI and the approval for the same is under process with a few lenders. In view of this, such deferment of dues has not been considered as default by the subsidiary company.

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors

Manoj Daga
Partner
Membership No. 048523

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Mumbai, 28th July, 2020

Kolkata, 28th July, 2020

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures under section 129(3) read with rule 5 of the Companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

(₹ In Lacs)

Names of Companies	Srei Capital Markets Ltd.	Trinity Alternative Investment Managers Ltd.[3]	Bengal Srei Infrastructure Development Ltd.	Controlla Electrotech Pvt. Ltd.	Srei Mutual Fund Asset Management Pvt. Ltd.	Srei Mutual Fund Trust Pvt. Ltd.	Srei Insurance Broking Pvt Ltd.	Hyderabad Information Technology Venture Enterprises Ltd.	Cyberabad Trustee Company Pvt. Ltd.	Srei Equipment Finance Limited	Srei Finance Limited[4]
Sl. No.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
The date since when the subsidiary was acquired	26.12.1998	25.12.1997	25.09.2008	06.06.2008	27.11.2009	27.11.2009	31.03.2012	29.08.2007	29.08.2007	17.06.2016	31.03.2015
Reporting period	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange rate on last day of reporting year (In INR)											
Share Capital	505.00	25.00	5.00	3.53	1,850.00	15.00	500.00	25.00	5.00	7,902	10.00
Reserves & Surplus	216.00	755.37	(56.85)	(468.26)	(716.95)	(14.10)	55.11	29.91	1.31	3,84,120	(2.11)
Total Assets	789.79	2,079.05	48.22	1,942.18	1,143.22	5.73	703.67	55.55	6.42	37,03,874	9.90
Total Liabilities	789.79	2,079.05	48.22	1,942.18	1,143.22	5.73	703.67	55.55	6.42	37,03,874	9.90
Investments	421.24	721.74	-	1,764.93	-	-	-	-	-	66,149	-
Turnover	277.56	698.06	4.48	317.38	106.57	0.06	929.63	3.73	0.45	5,07,943	0.57
Profit/(Loss) before Tax	38.98	183.48	(14.33)	9.09	(64.66)	(7.33)	154.19	(6.67)	0.17	10,034	(2.09)
Provision for Taxation	31.04	50.54	(3.39)	-	(0.01)	-	138.20	-	0.05	4,443	-
Profit/(Loss) after Tax	7.94	132.94	(10.94)	9.09	(64.65)	(7.33)	15.99	(6.67)	0.12	5,591	(2.09)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
Extent of shareholding (effective) - in percentage	100%	100%	51%	100%	100%	100%	100%	51%	51%	100%	100%

Notes:

1. Names of subsidiaries which are yet to commence operations - None

2. Names of subsidiaries which have been liquidated or sold during the current reporting year: None

3. Formerly known as Srei Alternative Investment Managers Limited

4. Formerly known as Srei Asset Finance Limited

FORM AOC-1

Statement pursuant to Section 129(3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures

Part "B": Associates and Joint Ventures (₹ In Lacs)

Name of Associates or Joint Ventures	IIS International Infrastructure Services GmbH
Relationship	**Associate**
1. Latest Balance Sheet date	Mar 31, 2020
2. Date on which the Associate or Joint Venture was associated or acquired	21.06.2016
3. Shares of Associate or Joint Ventures held by the company on the period end	
No.	NA[3]
Amount of Investment in Associates or Joint Venture	NIL[4]
Extent of Holding (in percentage)	49.13%
4. Description of how there is significant influence	Control of 49.13% of Total Share Capital
5. Reason why the associate/joint venture is not consolidated	NA
6. Networth attributable to Shareholding as per latest Balance Sheet	(3,381.61)
7. Profit/(Loss) for the period	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(1,778.44)

1. Names of associates or joint ventures which are yet to commence operations: None
2. **Names of associates or joint ventures which have been liquidated or sold during the period:**
   (i) E Village Kendra Limited (ceased to be Associate w.e.f 01.01.2020) - sold
3. There is no system of issuance of distinctive shares in the country of registration.
4. IIS International Infrastructure Services GmbH4 has filed for liquidation on 17th September, 2018

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman
DIN: 00193015

Shyamalendu Chatterjee
Director
DIN : 00048249

Rakesh Bhutoria
Chief Executive Officer

Sandeep Lakhotia
Company Secretary

Sandeep Kumar Sultania
Chief Financial Officer

Kolkata, 28th July, 2020

NOTE

Cautionary Statement

This report contains forward-looking statement, which may be identified by their use of words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company’s strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Srei Infrastructure Finance Limited

CIN : L29219WB1985PLC055352

Registered Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046

srei.com

SREI INFRASTRUCTURE FINANCE LIMITED
CIN: L29219WB1985PLC055352
Registered Office: 'Vishwakarma'
86C, Topsia Road (South), Kolkata - 700 046
Tel No.: 033 - 6160 7734, Fax No.: 033 - 2285 7542/8501
Website: www.srei.com, Email: investor.relations@srei.com

NOTICE

NOTICE is hereby given that the Thirty - Fifth Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited will be held on **Saturday, September 19, 2020 at 11:00 a.m. (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt -
   a) The Standalone Financial Statement of the Company for the financial year ended March 31, 2020, and the Report of the Directors and Auditors thereon.
   b) The Consolidated Financial Statement of the Company for the financial year ended March 31, 2020, and the Report of the Auditors thereon.
2. To elect a Director in place of Mr. Hemant Kanoria (holding DIN: 00193015) who retires by rotation and being eligible, seeks re-appointment.
3. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of D. K. Chhajer & Co., Chartered Accountants, having Firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI) as the Statutory Auditors of the Company, in place of the retiring Auditors, Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W/W100048), for a term of 5 (five) consecutive years, to hold office from the conclusion of the ensuing 35th Annual General Meeting (AGM) till the conclusion of the 40th Annual General Meeting (AGM), at an annual remuneration of Rs. 40,00,000/- (Rupees Forty Lacs only) payable in one or more tranches, plus applicable taxes, and reimbursement of out-of-pocket expenses as may be incurred in connection with the audit of accounts of the Company, with the power of the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision including upward revision in the remuneration during the tenure of the Auditors, in such manner and to such extent as may be mutually agreed with the Statutory Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors, approval of the Members of the Company be and is hereby accorded to ratify and confirm the waiver of the recovery of excess remuneration of Rs. 77.80 Lacs (Rupees Seventy Seven Lacs and Eighty Thousand only) paid to Mr. Hemant Kanoria (DIN: 00193015), Chairman of the Company, in whole time capacity, during the Financial Year 2019-20, as per the terms of his appointment and remuneration approved by the Members [by means of Special resolution dated July 27, 2019 passed at the 34th (Thirty-Fourth) Annual General Meeting (AGM) of the Company for a period of 5 (five) years w.e.f. April 01, 2019], which is within the overall limits approved by them but exceeds the limit of 5 (five) per cent specified under Section 197 of the Companies Act, 2013 to the extent as aforesaid and to consequential retention thereof by him;

   RESOLVED FURTHER THAT as recommended by the Nomination and Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded that in the event of absence or inadequacy of profits in the subsequent 2 (two) years i.e. Financial Year 2020-21 and 2021-22, the remuneration as approved by the Members at the 34th (Thirty-Fourth) Annual General Meeting (AGM) of the Company held on July 27, 2019, be continued to be paid to Mr. Hemant

Kanoria as minimum remuneration provided, however, that the remuneration shall stand enhanced by such higher amount that may be sanctioned by the Board of Directors to Mr. Hemant Kanoria and such higher amount shall be deemed to be the minimum remuneration payable to him;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its sole discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Director(s) or any Key Managerial Personnel (KMPs) of the Company;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in the foregoing resolution are hereby approved, ratified and confirmed in all respects."

NOTES:

1. In view of the Covid-19 pandemic, social distancing norms to be followed and pursuant to General circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars"), the 35th Annual General Meeting (AGM) of the Members of the Company shall be held through video conferencing (VC) or other audio visual means (OAVM), which does not require physical presence of Members at a common venue, in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and aforesaid MCA Circulars. The deemed venue for the 35th AGM shall be the Registered Office of the Company.

2. The Company has engaged the services of KFin Technologies Private Limited (KFintech), Registrar and Share Transfer Agents of the Company to provide VC/OAVM facility for the AGM.

3. The Helpline number regarding any query/assistance for participation in the said AGM through VC/OAVM is 1800-3454-001 (toll free).

4. **Proxies:** Since the 35th AGM of the Company will be held through VC/OAVM, physical attendance of the Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility of appointment of proxies by the Members under Section 105 of the Act will not be available for the 35th AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

   However, Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

   In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

5. Members attending the 35th AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

6. **Instructions to the Members for attending the AGM through Video Conferencing:**

   i. **Attending the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Private Limited (KFintech). Members may access the same at https://emeetings.kfintech.com and login by using the remote e-voting credentials and click on "video conference". The link for AGM will be available in 'members' login where the EVENT and the Name of the Company can be selected.

   ii. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-Voting in Note No. 17 below.

   iii. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 (fifteen) minutes from the schedule time of the AGM. However, the participation of Members holding 2% (two per cent) or more shareholding of the Company, promoters, institutional investors, Directors and Key Managerial Personnel (KMPs), Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company, Auditors etc. is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

   iv. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

   v. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

   vi. Please note that Members using Mobile Devices or Tablets or Laptops and accessing the internet via "Mobile Hotspot" may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wifi or LAN connection to mitigate any kind of aforesaid glitches.

   vii. **Speaker Registration before 35th AGM:** Members who would like to express their views or ask questions during the AGM may register themselves by logging on to https://emeetings.kfintech.com and clicking on 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during Tuesday, 15th September, 2020 (9.00 a.m. IST) to Thursday, 17th September, 2020 (5.00 p.m. IST).

Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon the availability of time for smooth conduct of the AGM.

7. **Statement pursuant to Section 102:** The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning Item no. 4 of special business and explanatory statement pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, setting out the disclosure on appointment of Statutory Auditors relating to Item no. 3 to be transacted at the Meeting, which are considered to be unavoidable by the Board of Directors of the Company, is annexed hereto and forms part of the Notice.

8. **Communication:** In compliance with applicable MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, electronic copy of the Notice of the Annual General Meeting (AGM) of the Company, inter alia, indicating the process and manner of Electronic Voting along with the Annual Report is being sent only in electronic mode to all concerned including the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/Depositories for communication purposes. Members holding shares in physical mode and who have not registered /updated their email IDs, are requested to register/update the same by sending signed scanned request letter mentioning their folio no. and the email id that is to be registered to the Company's email id investor.relations@srei.com and/or to the Company's Registrar & Share Transfer Agents, KFin Technologies Private Limited (KFintech) email id einward.ris@kfintech.com. Members holding shares in dematerialized mode are requested to register/update their email IDs with the Depository Participant(s) with whom they maintain their demat account. A copy of this Notice along with the Annual Report of the Company is displayed on the website of the Company www.srei.com. The same is also being made available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of KFintech at https://evoting.karvy.com.

9. **Registrar & Share Transfer Agents and Depository Participant:** Members holding Shares in physical mode are requested to intimate changes in their address to KFin Technologies Private Limited, Registrar and Share Transfer Agents (RTA) of the Company located at Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

10. **Nomination Facility:** Members holding shares in the physical form and desirous of making/changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), KFin Technologies Private Limited. In respect of shares held in electronic/demat form, the Members may please contact their respective depository participant.

11. **IEPF related Information:**

    I. **Unclaimed Dividend:** The Company has transferred the unpaid or unclaimed dividends declared upto financial years 2011-12, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link www.iepf.gov.in. Dividends for the financial year ended March 31, 2013, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to IEPF within statutory timelines. Members who have not encashed the dividend warrant(s), so far for the financial year ended March 31, 2013, or any subsequent financial years are requested to make their claim to the Company at its Registered Office. The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2020 and March 31, 2019 are uploaded on the website of the Company www.srei.com.

    II. **Transfer of Unclaimed Shares:** Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, the Company has during the financial year 2019-20 transferred to the IEPF Authority 54,599 (fifty four thousand five hundred and ninety nine) equity shares held by 189 (one hundred and eighty nine) shareholders w.r.t. financial year 2011-12 in respect of which dividend has remained unpaid/unclaimed for 7 (seven) consecutive years or more, within stipulated timelines. Details of shares so far transferred to IEPF Authority have been uploaded on the website of the Company www.srei.com. The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link www.iepf.gov.in.

Further, upon application by shareholders claiming refund of equity shares which were transferred to IEPF Authority as per IEPF Rules, the IEPF Authority has settled applications pertaining to 280 (two hundred and eighty) equity shares to respective shareholders of the Company. Accordingly, total number of equity shares lying in IEPF Account as on the date of this notice is 3,81,321 (three lacs eighty one thousand three hundred and twenty one) equity shares.

Further, shares in respect of which dividend will remain unclaimed progressively for 7 (seven) consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, adhering to the various requirements set out in the IEPF Rules.

It may please be noted that once the unclaimed dividend and shares are transferred to IEPF, as above, no claims shall lie against the Company. However, claim can be made from IEPF Authority by making an application in Form no. IEPF-5 available on www.iepf.gov.in in accordance with the IEPF Rules.

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

    The amendment does not prohibit the shareholders from holding the shares in physical form. The Shareholders have an option of holding shares in physical form even after April 01, 2019. However, any shareholder who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

    Further, SEBI vide Press Release No. 12/2019 dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019.

    Accordingly, in view of the above and the inherent benefits of holding shares in electronic form, Members holding share in physical form are requested to dematerialise their shareholding at the earliest to avoid inconvenience.

13. **Consolidation of Multiple Folios:** Members who hold Shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, KFin Technologies Private Limited, enclosing their Share Certificates to enable the Company to consolidate their holdings into a single folio.

14. **New Certificates:** Members who have not yet surrendered their old Share Certificate(s) for exchange with new Certificate(s) bearing hologram, logo and barcoding are requested to surrender the same to the Company's Registrar and Share Transfer Agents, KFin Technologies Private Limited.

15. **Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, KFin Technologies Private Limited.

16. **Inspection by Members:** All relevant documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 are available electronically for inspection without any fee by the Members from the date of circulation of this Notice upto the date of the 35th AGM. Members seeking to inspect such documents can send an email to investor.relations@srei.com.

    The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM.

    Members desirous of obtaining any relevant information with regard to the accounts of the Company or any other matter placed at the Meeting are requested to send their requests in writing at investor.relations@srei.com to the Company at least 7 (seven) days before the AGM, so as to enable the Company to keep the information ready.

17. **Voting through electronic means (Electronic Voting):**

    I. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin Technologies Private Limited (KFintech) on all resolutions set forth in this Notice.

Members may cast their votes remotely, using an electronic voting system during the remote e-voting period.

The Procedure and instructions for remote e-voting facility are as follows:

(A) In case a Member receives an email from KFintech [for Members whose email IDs are registered with the Company/Depositories]:

i. Visit the voting website of KFintech by opening your web browser and typing the following URL either on a desktop computer / laptop or on a mobile or scan the QR code using your smart phone:

https://evoting.karvy.com

ii. Once the homepage of the voting system is launched, enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Srei Infrastructure Finance Limited'.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email scrutiniser.agm2020@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Srei Infrastructure Finance Limited 35th AGM".

(B) In case of Members who have not registered / updated their email IDs (including Members holding shares in physical form):

i. Please follow the steps for registration / updation of email ID and obtaining User ID and Password for e-voting as mentioned in para 8 of the 'Notes' and para (e) under the 'Other Instructions' section below.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting during AGM:

i. The Members, who will be attending the AGM through VC/OAVM and who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM.

ii. The facility for voting through electronic voting system ('Insta Poll') shall be made available during the Meeting through e-voting system provided by KFin Technologies Private Limited in the Video Conferencing Platform.

iii. The 'Vote Now Thumb sign' on the left hand corner of the video screen shall be activated upon instructions of the Chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

iv. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.

v. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting through VC/OAVM; however those Members are not entitled to cast their vote again during the Meeting.

vi. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting during the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote during the AGM shall be treated as invalid.

vii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through E-voting on the email id scrutiniser.agm2020@gmail.com with a copy marked to evoting@karvy.com.

Other Instructions:

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (KFintech Website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: Srei Infrastructure Finance Limited) of KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 or at einward.ris@kfintech.com or phone no. 040 – 6716 2222 or call KFintech's toll free No. 1800-3454-001 for any further clarifications.

b. Members are requested to update their mobile numbers and email IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.

c. The remote e-voting period commences on Tuesday, 15th September, 2020 (9.00 a.m. IST) and ends on Friday, 18th September, 2020 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 12th September, 2020 may cast their votes electronically through remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Saturday, 12th September, 2020.

e. In case a person has become a Member of the Company after sending of AGM Notice but on or before the cut-off date for E-voting i.e., Saturday, 12th September, 2020, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the Member is registered against Folio No./ DP ID and Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID and Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the Member is not registered against Folio No. / DP ID and Client ID, then on the home page of https://evoting.karvy.com, the Member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a password.

iii. Member may call KFintech's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. KFintech shall endeavour to send User ID and Password to those new Members whose mail ids are available.

18. Scrutiniser: The Company has appointed Mr. Mohan Ram Goenka, Practicing Company Secretary, Kolkata (FCS No.

4515, CP No. 2551) as Scrutiniser for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

19. **Declaration of Results:** The Scrutiniser shall immediately after the conclusion of voting at the Meeting count the votes cast at the meeting and votes cast through remote e-voting and within a period not exceeding 3 (three) days from the conclusion of the meeting make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.

    The Results shall be declared either by the Chairman or by any person authorized by the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

    Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the Voting results in the prescribed format within 48 (forty-eight) hours of conclusion of the Annual General Meeting (AGM). The results shall also be uploaded on the NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

    Immediately after declaration of results, the same shall be placed along with the Scrutiniser's Report on the Company's website www.srei.com and on the website of KFin Technologies Private Limited https://evoting.karvy.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed for placing the same on their website. The results shall also be placed on the notice board of the Company at its Registered Office as well as Corporate Office.

20. **Route Map:** Since the AGM is being held through VC/OAVM, Route Map is not annexed to this Notice.

21. **Information of Directors pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings:** At the ensuing Meeting of the Company, Mr. Hemant Kanoria (holding DIN: 00193015), Chairman, retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible, seeks re-appointment.

    Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, the particulars of the aforesaid Director seeking appointment/re-appointment at the AGM are given below:

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)
Date of Birth	05.08.1962 (57 Years)
Date of Appointment	30.10.1990 (Appointed as Managing Director w.e.f. 07.05.1994 and as Chairman w.e.f. 14.05.2008). He was re-appointed as Chairman and Managing Director for a period of 5 (five) years w.e.f 01.04.2015 on terms and conditions as mentioned in the Agreement dated 01.08.2015. He was appointed as Chairman, in whole time capacity, for a period of 5 (five) years w.e.f 01.04.2019 on terms and conditions as mentioned in the Agreement dated 27.07.2019.
Brief Resume of the Director / Expertise in specific functional areas	He has over 40 years of experience in industry, trade and financial services. He is currently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and served on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C) besides being a past Member of the Regional Direct Taxes Advisory Committee, Government of India.
Qualification	B. Com. (Hons.)
List of outside Directorships held	■ Srei Equipment Finance Limited ■ Austrian Anadi Bank AG, Austria

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)
Chairman/Member of the Committees of Board of Directors of the Company	Member - Stakeholders Relationship Committee Chairman - Corporate Social Responsibility Committee Chairman - Committee of Directors Member – Asset Liability Management Committee Chairman - Credit Committee Chairman - Investment Committee
Chairman/Member of the Committees of Board of Directors of other Indian Public Limited Companies in which he is a Director – a) Audit Committee b) Stakeholders' Relationship Committee	 NIL NIL
Shareholding in the Company	3,80,000 (three lacs eighty thousand only) Equity shares
Relationship with other Directors, Managers and KMPs	Mr. Sunil Kanoria (Brother)
No. of Board Meetings attended during Financial Year 2019-20 [out of 5 (Five) held]	5 (five)
Terms and conditions of Appointment or Re-appointment	In accordance with the Agreement between Mr. Hemant Kanoria and the Company dated 27.07.2019.
Details of Remuneration (Salary, Sitting fees, Commission) sought to be paid and the Remuneration last drawn ■ FY 2019-20 (Rs.) ■ FY 2018-19 (Rs.)	 2,46,60,000/- 2,46,60,000/- Mr. Hemant Kanoria will be paid remuneration in accordance with the terms and conditions of the Agreement executed between him and the Company and in accordance with the approval of Members from time to time.

By Order of the Board of Directors
For **Srei Infrastructure Finance Limited**

Sandeep Kr. Lakhotia

Dated: July 28, 2020
Place: Kolkata

Sandeep Lakhotia
Company Secretary
FCS 7671

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS)

Item No. 3

The Members of the Company at the 25th Annual General Meeting (AGM) held on August 09, 2010 approved the appointment of Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W/W100048, allotted by The Institute of Chartered Accountants of India (ICAI). Thereafter, at the 30th AGM of the Company held on August 01, 2015, Haribhakti & Co. LLP, Chartered Accountants, were re-appointed as the Statutory Auditors of the Company to hold office for another term of 5 (five) years from the conclusion of 30th AGM till the conclusion of this 35th AGM of the Company.

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 ("the Act") and the rules framed thereunder, no company shall appoint or re-appoint an audit firm for more than two terms of 5 (five) consecutive years. Further, proviso to the above section states that an audit firm which has completed its two terms of 5 (five) consecutive years, shall not be eligible for re-appointment as auditor in the same company for 5 (five) years from the completion of such term.

Haribhakti & Co. LLP, Chartered Accountants would be completing two terms of 5 (five) years each as the Statutory Auditors of the Company at the conclusion of the 35th AGM. Accordingly, the Board of Directors ("the Board") of the Company, on the recommendation of the Audit Committee of the Company recommends the appointment of D. K. Chhajer & Co., Chartered Accountants having Firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of the 35th AGM till the conclusion of the 40th AGM of the Company. The first year of audit will be of the financial statements for the year ending March 31, 2021, which will include the audit and/or limited review of the applicable quarterly financial results for the year.

The Audit Committee and the Board of Directors considered various parameters like capability to serve the business landscape of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc. and found D. K. Chhajer & Co., Chartered Accountants to be best suited to handle the audit of the financial statements of the Company.

D. K. Chhajer & Co., Chartered Accountants is a partnership firm established in 1964, initially as a sole proprietorship concern and later converted into a partnership firm in 1974. Today, the firm is managed by a team of professionals drawn from a wide range of industries and backgrounds and operating through 6 (six) offices in major cities and 7 (seven) satellite offices covering the country geographically. The firm caters to a very wide spectrum of prestigious business houses, Public Sector Units and organizations under the Government sector. The firm steadfastly adheres to quality and has almost covered all the areas of auditing including statutory audit, internal audit, forensic audit, concurrent audit, revenue audit, stock audit, ASM audit, due diligence, and others.

D. K. Chhajer & Co., Chartered Accountants meets the eligibility, qualifications and other requirements of the Auditors as specified in the Companies Act, 2013 and a certificate to this effect has also been furnished by them along with their consent to hold office as the Statutory Auditors of the Company. Further, they have also provided a certificate to the effect that their appointment as the Statutory Auditors of the Company, if made, would be within the limit prescribed under Section 141 of the Companies Act, 2013 and further that they are not disqualified to be appointed as the Statutory Auditors in terms of Sections 139 and 141 of the Act. Further, they have also furnished the peer review certificate issued to them by The Institute of Chartered Accountants of India (ICAI).

Pursuant to the transfer of the Lending Business, Interest Earning Business & Lease Business of the Company, together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures), ("Transferred Undertaking") as a going concern by way of slump exchange to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, the business and audit profile of the Company has significantly narrowed down. Accordingly, the new Statutory Auditors are proposed to be paid a comparatively lower fee to that of the fee paid to the outgoing Statutory Auditors of the Company.

On the recommendation of the Audit Committee, the Board also recommends for the approval of the Members, an annual remuneration of Rs. 40,00,000 (Rupees Forty Lacs only) payable in one or more tranches, plus taxes as applicable to be paid to D. K. Chhajer & Co., Chartered Accountants to conduct the Statutory Audit of the Company and reimbursement of out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company with the power of the Audit Committee and/or Board of Directors to alter and vary the terms and conditions of appointment, revision including upward revision in the remuneration during the tenure of the Auditors, in such manner and to such extent as may be mutually agreed with the Auditors.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members of the Company.

None of the Directors and Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 4

The Members of the Company at the 34th Annual General Meeting (AGM) of the Company held on July 27, 2019, approved the appointment of Mr. Hemant Kanoria (DIN: 00193015) as the Chairman of the Company in whole time capacity in terms of Section 196 and other applicable provisions of the Companies Act, 2013 ("the Act"), his office being liable to retirement by rotation, on the remuneration and other terms and conditions as mentioned in the Notice of the said AGM, for a period of 5 (five) years beginning from April 01, 2019 till March 31, 2024.

The Members, while approving the above appointment / remuneration had also approved that, in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of the Chairman, the payment of salary, commission, perquisites, and other allowances shall be governed by the limits prescribed under Part II of Schedule V to the Companies Act, 2013.

Pursuant to the transfer of the Lending Business, Interest Earning Business & Lease Business of the Company, together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures), ("Transferred Undertaking") as a going concern by way of slump exchange to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, the business and balance sheet of the Company have significantly narrowed down. This development has impacted the profitability of the Company during the Financial Year 2019-20 and as a result, based on computation of profits in the manner prescribed under Section 198 read with Section 197 of the Act in the said Financial Year, the managerial remuneration paid to Mr. Hemant Kanoria for the Financial Year 2019-20 exceeds the limit of 5 (five) per cent prescribed under Section 197 of the Act.

The Company has already obtained approval of Members by way of a Special resolution for payment of remuneration to Mr. Hemant Kanoria as per the Agreement dated 27th July, 2019 executed between the Company and Mr. Kanoria. However, since the remuneration drawn by Mr. Kanoria for Financial Year 2019-20 exceeds the prescribed limit of 5 (five) per cent, the Company is required to obtain the approval of the Members by way of a Special resolution for waiver of excess remuneration paid to Mr. Hemant Kanoria for the Financial Year 2019-20 in terms of the provisions of Section 197 of the Act.

Further, it is possible that there could be a situation of absence or inadequacy of profit computed in manner prescribed under Section 198 read with Section 197 of the Act in subsequent financial years. Accordingly, in addition to approval of waiver of recovery of excess remuneration paid during Financial Year 2019-20 to Mr. Hemant Kanoria, approval of the Members is also being sought for further 2 (two) years i.e Financial Year 2020-21 and 2021-22 for payment of remuneration to Mr. Hemant Kanoria, in situation of absence or inadequacy of profit.

Further, pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015), the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by Special resolution in general meeting, if (i) the annual remuneration payable to such executive director exceeds Rupees 5 (five) crore or 2.5 (two and half) per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 (five) per cent of the net profits of the listed entity. Currently, the remuneration of Mr. Hemant Kanoria does not exceed the aforesaid limit. However, the Special resolution, being proposed, would also be in compliance with the aforesaid requirements of SEBI Listing Regulations, 2015, in case it becomes applicable for the Financial Year 2020-21 and 2021-22 pursuant to increase, if any, in the remuneration of Mr. Hemant Kanoria.

Further, Section II Part II of Schedule V of the Act requires disclosure of various information to be made in the statement of the Notice calling the general meeting seeking approval of the Members for payment of remuneration by companies having no or inadequate profits.

It is clarified that no increase in remuneration of the managerial personnel is envisaged in terms of the proposed resolution, and the same is in line with the remuneration already approved by the Members at the 34th AGM of the Company held on July 27, 2019. Further, the Chairman has voluntarily reduced his pay by 30% (thirty per cent) for the Financial Year 2020-21 and has also voluntarily foregone his Commission for the Financial Year 2019-20.

Further, since Mr. Hemant Kanoria is also a managerial personnel of Srei Equipment Finance Limited, a wholly owned subsidiary company, as per Schedule V of the Act, the total remuneration to be drawn from Srei Equipment Finance Limited and the Company shall not exceed the higher maximum limit admissible from any one of the said Companies.

The Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings held on 28th July, 2020 have recommended / approved the waiver of excess remuneration as above paid to Mr. Hemant Kanoria for the Financial Year 2019-20 and payment of remuneration to Mr. Hemant Kanoria for the period of 2 (two) years i.e. Financial Year 2020-21 and 2021-22, in situation of absence or inadequacy of profits, on the same terms and conditions of appointment and remuneration as approved by the Members at the 34th AGM of the Company held on July 27, 2019 by considering such remuneration to be the minimum remuneration payable to Mr. Hemant Kanoria during the said Financial Years 2020-21 and 2021-22.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Pursuant to Section 190 of the Companies Act, 2013, a copy of the Agreement dated July 27, 2019 entered into between the Company and Mr. Hemant Kanoria is available for inspection, in electronic mode, without payment of any fee by the Members upto the date of the AGM.

Mr. Hemant Kanoria may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own remuneration and Mr. Sunil Kanoria, being a relative (Brother) of Mr. Hemant Kanoria, may also be deemed to be concerned or interested in the proposed Resolution.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Information pursuant to Section II of Part II of Schedule V of the Companies Act, 2013:

A. Disclosure in terms of Section 197 read with Schedule V to the Companies Act, 2013, applicable Rules thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the case may be:

I. **General Information:**

1. **Nature of industry:** The Company is classified as an Infrastructure Finance Company – Systemically Important Non - Deposit taking under Section 45-IA of the RBI Act, 1934. The Company is also notified as a Public Financial Institution (PFI) by the Ministry of Corporate Affairs (MCA), Government of India.
2. **Date or expected date of commencement of commercial production:** Not Applicable.
3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
4. **Financial and Operating performance based on given indicators:** The Financial and Operating performance of the Company during the 3 (three) preceding financial years is as under:

(Amount in Lacs)

Particulars	Consolidated*			Standalone*		
	FY 2018-19	FY 2017-18	FY 2016-17	FY 2018-19	FY 2017-18	FY 2016-17
Revenue from Operations	6,47,336	5,23,999	4,64,933	1,87,843	1,76,831	2,29,197
Total Income	6,46,970	5,26,187	4,66,576	1,88,957	1,77,362	2,29,962
Total Expenses (including impairment on financial instruments, depreciation, etc.)	5,88,267	4,67,031	4,32,128	1,76,696	1,59,149	2,15,126
Profit Before Exceptional Items & Tax	58,703	59,156	34,448	12,261	18,213	14,836
Exceptional Items	-	-	-	-	-	-
Adjustment on disposal /cessation of Subsidiaries and Associate	8,085	33	1,561	-	-	-
Profit Before Tax	66,788	59,189	36,009	12,261	18,213	14,836
Current Tax	15,158	15,496	10,768	-	7,226	6,582
Deferred Tax	2,924	6,615	6,680	2,794	(1,360)	(241)
Mat Credit Entitlement (including in respect of earlier years)	-	(2,895)	(5,715)	-	-	(1,112)
Share of Profit/ (Loss) of Associate	(28)	(1,547)	5	-	-	-
Profit After Tax (Before adjustment for Non-controlling interest/ Minority interest	48,678	38,426	24,281	9,467	12,347	9,607
Surplus brought forward from previous year (Retained Earnings)	(1,19,015)	31,513	28,649	11,577	20,679	27,120
Other Comprehensive Income (net of tax)	(8,994)	-	-	(12,672)	-	-
Total Comprehensive Income/(Expense) for the period	39,684	38,426	24,281	(3,205)	12,347	9,607
Paid up Equity Share Capital	50,324	50,324	50,324	50,324	50,324	50,324
Earning Per Share (Rs.)	9.68	7.64	4.84	1.88	2.45	1.91

*Figures for the year ended 31st March, 2019 is based on IndAS, whereas for the year ended 31st March, 2018 & 31st March, 2017 is based on IGAAP as reported in respective financial years.

5. **Foreign investments or collaborations, if any:** The Company has no foreign collaborators and hence there is no equity participation by foreign collaborators in the Company.

II. **Information about the Chairman:**

1. **Details of background, recognition or awards, job profile of the Chairman ("Managerial Personnel") and his suitability thereof:**

   A pioneer in the field of infrastructure, Mr. Hemant Kanoria has reshaped India's infrastructure landscape with innovative ideas and a strong passion for excellence. Mr. Kanoria's contribution towards inclusive infrastructure development in India has been nonpareil. He is a visionary who always believes in offering simple solutions to complex problems. Many of his ideas were first of its kind and created new business sectors. Mr. Hemant Kanoria is known for unleashing a new wave of rural entrepreneurship in India.

   Mr. Hemant Kanoria has over four decades of experience. He is serving as Board Member in the Indian Institute of Information Technology (Guwahati), Neotia University and New Delhi Institute of Management. He is a Member of the India-Russia CEOs Council and India-Singapore CEOs Forum. He is also a Member of the ICC G20 Advisory Council. Mr. Kanoria is a Member of the Advisory Committee of Indian Institute of Cerebral Palsy and also a Member of Council of Advisors of Friends of Kolkata. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and also served on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C). He has also been a Member of Regional Direct Taxes Advisory Committee, Government of India and a Member of ICC Executive Committee.

   Mr. Hemant Kanoria has been looking after the overall affairs and operations of the Company under the supervision and control of the Board of Directors. He is involved in policy planning, vision, strategy and long term development activities of the Company. Further, Mr. Hemant Kanoria is the Promoter of the Company and is a recognised name in the NBFC Industry.

2. **Past remuneration:**

(Amount in Rs.)

	FY 2018-19	FY 2017-18	FY 2016-17
Remuneration	2,46,60,000	3,61,60,000	3,06,60,000

3. **Remuneration proposed:** Remuneration paid/ payable to Mr. Hemant Kanoria is as per the resolution approved by Members of the Company. Mr. Hemant Kanoria draws remuneration from the Company only in the capacity of his being the Chairman (in whole time capacity).

4. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

   The remuneration proposed is commensurate with industry standards and Board level positions held in similar sized and similarly positioned businesses.

5. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

   Mr. Hemant Kanoria has pecuniary relationship with the Company so far as it relates to his own appointment and remuneration. He is also related to Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of the Company, being Brother. Further, Mr. Hemant Kanoria is the Promoter of the Company and holds 3,80,000 Equity shares of the Company.

III. **Other information:**

1. **Reasons of loss or inadequate profits:** Pursuant to the transfer of the Lending Business, Interest Earning Business & Lease Business of the Company, together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures), ("Transferred Undertaking") as a going concern by way of slump exchange to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, the business and balance sheet of the Company have significantly narrowed down. This development has impacted the profitability of the Company during Financial Year 2019-20 and as a result, based on computation of profits in the manner prescribed under Section 198 read with 197 of the Act in the said Financial Year, the managerial remuneration paid to Mr. Hemant Kanoria for the Financial Year 2019-20 exceeds the limit of 5 (five) per cent but is within the overall

permissible limit as prescribed under Section 197 of the Act.

2. **Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:** The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. Further, going forward, the business activities of the Company will be Fee based activities primarily focussed on Infrastructure Project Advisory and Financial Solutions Advisory. The Company will position itself as an integrated solutions provider. Considering its financing and operating experience, the Company endeavours to differentiate itself by providing higher value added services i.e. advisory services. The Company is looking to diversify into other upcoming geographies with South East Asia and the African region and is actively pursuing multi-lateral funded projects – both in Urban, Industrial as well as Social Infrastructure. The Company also looks forward to develop a strategic vertical within the Advisory Division to cater to the upcoming Public Financial Institution (PFI) Guarantee domain which are specifically non-fund based activities. The Financial Solutions Advisory is working closely with equipment finance clients to provide array of services ranging from transaction advisory, investment support both debt and equity and capital market services. For further details, Members may please refer to the Directors' Report which forms part of the Annual Report of the Company.

B. Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. **Financial and operating performance of the Company during the three preceding financial years:** Details provided in para A(I)(4) above.

2. **Remuneration or commission drawn by individual concerned in any other capacity from the Company:** Mr. Hemant Kanoria draws remuneration from the Company only in the capacity of his being the Chairman (in whole time capacity).

3. **Remuneration or Commission drawn by Managerial Personnel from any other company:** Mr. Hemant Kanoria is also a managerial personnel of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary company and was in receipt of Rs. 497.20 Lacs as remuneration for the Financial Year 2019-20 from SEFL.

4. **Professional qualification and experience:** Please refer Para A(II)(1) above.

5. **Relationship between remuneration and performance:** Mr. Hemant Kanoria draws remuneration from the Company in the capacity of his being the Chairman (in whole time capacity) in accordance with the Agreement dated July 27, 2019 executed with the Company. The financial performance of the Company and remuneration drawn by Mr. Hemant Kanoria during last 5 (five) years is given below:

Financial Year*	Profit Before Tax (Standalone) (Rs. in Lacs)	Profit Before Tax (Consolidated) (Rs. in Lacs)	Profit After Tax (Standalone) (Rs. in Lacs)	Profit After Tax (Consolidated) (Rs. in Lacs)	Remuneration drawn by Mr. Hemant Kanoria (Rs.)
2018-19	12,261	66,788	9,467	48,678	2,46,60,000
2017-18	18,213	59,189	12,347	38,455	3,61,60,000
2016-17	14,836	36,009	9,607	24,336	3,06,60,000
2015-16	8,142	10,594	5,740	7,252	3,06,60,000
2014-15	11,952	18,820	9,093	13,020	2,22,24,898

*Figures for the year ended 31st March, 2019 is based on IndAS, whereas other periods are based on IGAAP as reported in respective financial years.

6. **The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the Company:** The Company has a strong performance management culture. Remuneration of Whole-time Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) are governed by the Company's Board approved Nomination and Remuneration Policy. The Non-executive Directors of the Company are paid remuneration by way of Commission, if any, in addition to sitting fees for attending the meetings of the Board of Directors and its Committees which is within the limit prescribed under the Companies Act, 2013.

   Further, every employee based on declared performance appraisal timelines undergoes appraisal of his/her performance. The Company decides on annual rewards approach of fixed and variable pay linked to the evaluation of individual's and Company's performance. Additionally, industry reward benchmarks are used as reference points to determine the appropriate level of remuneration, from time to time.

7. **Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference:** The Company has a clearly laid out Nomination and Remuneration Policy. This Policy ensures that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

8. **Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:** Mr. Hemant Kanoria holds 3,80,000 Equity shares constituting 0.08 per cent of the paid up share capital of the Company as on 31.03.2019 and 31.03.2020. Further, none of the shares held by Mr. Hemant Kanoria is under pledge.

By Order of the Board of Directors
For **Srei Infrastructure Finance Limited**

Sandeep Kr. Lakhotia

Dated: July 28, 2020
Place: Kolkata

Sandeep Lakhotia
Company Secretary
FCS 7671