



SREI EQUIPMENT FINANCE LIMITED

CIN: U70101WB2006PLC109898

Registered Office: 'Vishwakarma'

86C, Topsia Road (South), Kolkata - 700 046

Tel No.: 033 – 6160 7734, Fax No.: 033 – 2285 7542

Website: www.srei.com, Email: investor.sefl@srei.com

NOTICE

NOTICE is hereby given that the 14th (Fourteenth) Annual General Meeting (AGM) of the Members of Srei Equipment Finance Limited ('the Company') will be held on **Tuesday, 25th August, 2020 at 11.00 a.m. at the Registered Office of the Company at 'Vishwakarma,' 86C Topsia Road (South), Kolkata – 700 046**, at shorter notice to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, and the report of Board of Directors and Auditors thereon.
2. To elect a Director in place of Mr. Hemant Kanoria (holding DIN 00193015) who retires by rotation at this AGM and being eligible, offers himself for 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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable laws, if any (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W/W100048 allotted by The Institute of Chartered Accountants of India (ICAI) be and is hereby appointed as the Statutory Auditor of the Company to hold office for a period of 5 (Five) consecutive years from the conclusion of the 14th (Fourteenth) Annual General Meeting till the conclusion of the 19th (Nineteenth) Annual General Meeting of the Company, at such remuneration as may be mutually agreed upon between the Statutory Auditor and the Board of Directors or any Committee thereof;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board 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 Committee or any Director(s) or any Key Managerial Personnel (KMPs) of the Company.”

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, (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 based on recommendation 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. 292.42 Lacs (Rupees Two Hundred Ninety Two Lacs and Forty Two Thousand only) paid to Mr. Hemant Kanoria (DIN: 00193015), Chairman of the Company, in whole time capacity, during the Financial Year 2019-20 [who was appointed as the Chairman and Managing Director (CMD) at the 12th (Twelfth) Annual General Meeting (AGM) of the Company held on 10th May, 2018 for a period of 5 (five) years w.e.f. 1st November, 2018 and thereafter was appointed as the Chairman, in whole time capacity, at the 13th (Thirteenth) Annual General Meeting (AGM) of the Company held on 20th June, 2019 for the remaining period of his appointment i.e. till 31st October, 2023] which is within the overall limits approved by them but exceeds the limit specified under Section 197 read with Part II of Schedule V of the Companies Act, 2013 in view of the inadequacy of profits in the Financial Year 2019-20 and to consequential retention thereof by him save and except the amount of Commission entitlement for the Financial Year 2019-20 voluntarily foregone by Mr. Hemant Kanoria in view of the present difficult environment for NBFCs due to Covid-19 pandemic;

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded that in the event of loss or inadequacy of profits in the subsequent Financial Years 2020-21 and 2021-22, the remuneration package as approved by the Members at the 12th AGM of the Company held on 10th May, 2018 and thereafter at the 13th AGM of the Company held on 20th June, 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 approval of the Members be and is hereby accorded that in view of the financial position of the Company, trend in the industry, Mr. Hemant Kanoria’s qualification, experience, past performance as well as his past remuneration, in partial modification of the remuneration package as approved by the Members at the 12th AGM of the Company held on 10th May, 2018 and thereafter at the 13th AGM of the Company held on 20th June, 2019, the remuneration of Mr. Hemant Kanoria for the Financial Years 2019-20 to 2021-22 be enhanced by a sum equal to the remuneration received/receivable by Mr. Hemant Kanoria from Srei Infrastructure Finance Limited, the holding company of the Company, for each of the above Financial Years 2019-20 to 2021-22 (presently being Rs. 246.60 Lacs for Financial Year 2019-20), subject however, that the total remuneration payable to Mr. Hemant Kanoria by the Company for the Financial Year 2019-20, may, at the discretion of the Board, not exceed the sum of Rs. 497.20 Lacs and the total remuneration payable to Mr. Hemant Kanoria by the Company

for the subsequent Financial Years 2020-21 and 2021-22 may, at the discretion of the Board, not exceed the minimum remuneration fixed hereinabove for those financial years;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or revise the remuneration of Mr. Hemant Kanoria as Chairman as approved herein and 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 Committee or 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.”

5. 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, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company, approval of the Members be and is hereby accorded to ratify and confirm the waiver of the recovery of excess remuneration of Rs. 293.08 Lacs (Rupees Two Hundred Ninety Three Lacs and Eight Thousand Only) paid to Mr. Sunil Kanoria during the Financial Year 2019-20, as per the terms of his appointment and remuneration approved by the members at the 12th AGM of the Company held on 10th May, 2018, which is within the overall limits approved by them but exceeds the limit specified under Section 197 read with Part II of Schedule V of the Companies Act, 2013 in view of the inadequacy of profits in the Financial Year 2019-20 and to consequential retention thereof by him save and except the amount of Commission entitlement for the Financial Year 2019-20 voluntarily foregone by Mr. Sunil Kanoria in view of the present difficult environment for NBFCs due to Covid-19 pandemic;

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded that in the event of absence or inadequacy of profits in the 2 (two) subsequent Financial Years 2020-21 and 2021-22, the remuneration as approved by the Members at the 12th AGM of the Company held on 10th May, 2018, be continued to be paid to Mr. Sunil 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. Sunil Kanoria and such higher amount shall be deemed to be the minimum remuneration payable to him;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or revise the remuneration of Mr. Sunil Kanoria, Vice Chairman as approved herein and 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 Committee or 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.”

6. 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, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company, approval of the Members be and is hereby accorded to ratify and confirm the waiver of the recovery of excess remuneration of Rs. 206.56 Lacs (Rupees Two Hundred Six Lacs and Fifty Six Thousand Only) paid to Mr. Devendra Kumar Vyas during the Financial Year 2019-20, as per the terms of his appointment and remuneration approved by the members at the 13th AGM of the Company held on 20th June, 2019, which is within the overall limits approved by them but exceeds the limit specified under Section 197 read with Part II of Schedule V of the Companies Act, 2013 in view of the inadequacy of profits in the Financial Year 2019-20 and to consequential retention thereof by him;

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded that in the event of loss or inadequacy of profits in the subsequent Financial Years 2020-21 and 2021-22, the remuneration package as approved by the Members at the 13th AGM of the Company held on 20th June, 2019, be continued to be paid to Mr. Devendra Kumar Vyas 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. Devendra Kumar Vyas and such higher amount shall be deemed to be the minimum remuneration payable to him;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or revise the remuneration of Mr. Devendra Kumar Vyas as Managing Director as approved herein and 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 Committee or 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.”

7. To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, 196, 197, 198 and 203, Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of the Companies

Act, 2013 (Act) (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company, Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI), the Srei Equipment Finance Limited Nomination and Remuneration Policy, Policy on Board Diversity and Policy on “Fit and Proper” criteria of the Directors, and the recommendation of the Nomination and Remuneration Committee and the Audit Committee, and the approval of the Board of Directors of the Company and such other authorities as may be required, consent of the Company be and is hereby accorded to the appointment of Mr. Indranil Sengupta (DIN: 08807005), who was appointed as an Additional Director (Category – Executive Director) of the Company with effect from 1st August, 2020 and who holds office upto the date of this Annual General Meeting, as a Whole-time Director (WTD) of the Company, liable to retirement by rotation, for a period of 1 (one) year with effect from 1st August, 2020 and ending on 31st July, 2021 on the remuneration mentioned herein below and such other terms and conditions as set out in the Draft Agreement (“Agreement”) to be entered into between the Company and Mr. Indranil Sengupta (DIN: 08807005), a copy whereof was placed before this meeting, which is hereby specifically approved with liberty to the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any authorised Committee of the Board) to alter or vary the terms of remuneration and perquisites including monetary value thereof as set out in the Agreement, at any time(s) and from time to time and in such manner as the Board may deem fit –

- a) **Salary:** Rs. 1,35,000/- per month with authority to the Board to revise the same from time to time. The annual increments will be merit-based and inter alia, take into account the Company’s performance.
- b) **House Rent Allowance:** House Rent Allowance at the rate of 50% (fifty percent) of Salary.
- c) **Special Allowance:** Rs. 1,20,300/- per month.
- d) **Superannuation Allowance:** Rs. 13,500/- per month.
- e) **Performance Incentive:** Annual performance incentive as per policy of the Company and based on performance of the Company.
- f) **Perquisites:** In addition to the aforesaid, the Whole-time Director shall be entitled to the following perquisites:
 - i. **Medical Reimbursement**
Reimbursement of actual medical expenses incurred for self and family, restricted to an amount equivalent to 1 (one) month’s salary per annum.
 - ii. **Leave Travel Allowance**
Reimbursement of actual travelling expenses, for proceeding on leave, once in a year in respect of self and family, restricted to an amount equivalent to 1 (one) month’s salary per annum.

- iii. **Mobile Phone / Data usage expenses reimbursement**
Reimbursement of mobile phone / data usage expenses, as per Company's policy.
 - iv. **Leave**
Entitled for leave with full pay or encashment thereof as per the rules of the Company.
 - v. **Conveyance Facilities / Allowance**
The Company will provide conveyance allowance of Rs. 75,000/- per month to the Whole-time Director.
- g) **Minimum Remuneration:**
In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of the Whole-time Director, the payment of salary, allowances and perquisites, as laid out in the said Agreement shall be the minimum remuneration payable to Whole-time Director.
- h) The Company may alter or vary the remuneration, perquisites and other terms and conditions including monetary value thereof as set out in this Agreement depending on the Company's performance.
- i) The Whole-time Director shall not be paid any sitting fee for attending meetings of the Board of Directors or Committee(s) thereof.
- j) Subject to the provisions of the Companies Act, 2013, the Whole-time Director shall, while he continues to hold office of the Whole-time Director, be subject to retirement by rotation but he shall ipso facto immediately cease to be Whole-time Director if he ceases to hold office of Director for any cause. However, the Whole-time Director re-appointed as a Director of the Company immediately on retirement by rotation, shall continue to hold his office as Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment / service as Whole-time Director of the Company.
- k) The Whole-time Director will report to the Managing Director and the Board of Directors on regular basis. He shall perform such duties and functions as would be commensurate with his position as WTD of the Company and as may be delegated to him by the Board of Directors and/or the Chairman/Vice Chairman/Managing Director of the Company from time to time. He will diligently and efficiently manage the business and affairs in the best interest of the Company and assist in its operations, administration, implementation of business plans, achieving business and profitability targets, compliances of rules and regulations including statutory compliances, implementing sound commercial practice and good Corporate Governance. He will also supervise the Compliance, Audit, Internal Audit and Risk functions of the Company.

He will also discharge specific duties as may be assigned to him from time to time and shall also do and perform all other acts, deeds and things in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the above resolution.”

NOTES:

1. **PROXIES: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (‘THE MEETING’) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as Proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member. The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the Meeting. A Proxy Form is enclosed/ attached with this Notice. No Proxy Form shall be considered as valid on its receipt after 11.00 a.m. on 23rd August, 2020. Proxies submitted on behalf of companies, etc. must be supported by an appropriate resolution / authority, as applicable. Every Member entitled to vote at the Meeting can inspect the proxies lodged with the Company, at any time during the business hours of the Company, during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the Meeting and ending on the conclusion of the Meeting. However, a prior notice of not less than 3 (three) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.

The Proxy-holder shall prove his identity at the time of attending the Meeting. Proxies are requested to carry photo identification to the venue of the Meeting. Further, when a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy stands automatically revoked.

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.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the Meeting is annexed hereto and forms part of the Notice.
3. Corporate Members are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representatives to attend and vote at the AGM.

4. If any resolution at the AGM is put to vote on a poll, each Member shall be entitled to one vote for every equity share held.
5. All Statutory Registers and other relevant documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, shall be available for inspection by the Members at the Registered Office and copies thereof shall also be available for inspection at the Corporate Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and the same will also be available for inspection at the Meeting. The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contract or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
6. A Route Map showing directions to reach the venue of the AGM of the Company is given at the end of this Notice as per the requirement of the Secretarial Standard – 2 on “General Meetings” issued by The Institute of Company Secretaries of India (ICSI). The prominent landmark near the Venue is Topsia More.
7. The Notice of the Meeting and Annual Report of the Company for the year ended 31st March, 2020 is uploaded on the Company’s website at www.srei.com and may be accessed by the Members.
8. **Information of Directors pursuant to 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.

Further, Mr. Indranil Sengupta (DIN: 08807005) is being proposed to be appointed as the Whole-time Director (WTD) of the Company for a period of 1 (One) year w.e.f. 1st August, 2020 and ending on 31st July, 2021 pursuant to the provisions of Section 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (Act), if any and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Pursuant to Para 1.2.5 of the Secretarial Standards – 2 on General Meetings, the particulars of the Directors seeking appointment and re-appointment, and payment of remuneration in excess of the prescribed limits under applicable provisions of the Companies Act, 2013 at the ensuing AGM are given below:

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Devendra Kumar Vyas (DIN: 00651362)	Mr. Indranil Sengupta (DIN: 08807005)
Date of Birth	05.08.1962 (57 Years)	04.05.1965 (55 Years)	02.01.1969 (51 Years)	27.10.1961 (58 years)
Date of Appointment	12.05.2007 (Appointed as Vice Chairman and Managing Director w.e.f. 02.04.2008 and as Chairman and Managing Director w.e.f. 17.06.2016). He was re-appointed as Chairman and Managing Director for a period of 5 years w.e.f 01.11.2018 on terms and conditions as mentioned in the Agreement dated 10.05.2018. He was thereafter appointed as Chairman on 01.03.2019, in whole time capacity, for his remaining tenure till 31.10.2023 on terms and conditions as mentioned in the Agreement dated 20.06.2019.	12.05.2007 (Appointed as Joint Managing Director w.e.f. 02.04.2008). He was designated as the Vice Chairman w.e.f. 04.08.2016. He was re-appointed as the Vice Chairman of the Company for a further period of 5 (five) years with effect from 1st November, 2018 till 31st October, 2023.	01.02.2019 (Appointed as Managing Director for a period of 5 (five) years with effect from 1st February, 2019 till 31st January, 2024)	01.08.2020 (Additional Director) (Category: Executive Director) Mr. Indranil Sengupta is also proposed to be appointed as a Whole-time Director for a period of 1 (one) year w.e.f. 1st August, 2020 and ending on 31st July, 2021.
Brief Resume of the Director / Expertise in	He has 40 years of experience. He is currently serving as Board Member	Mr. Sunil Kanoria is a visionary who correctly assessed the Indian	Mr. Devendra Kumar Vyas has been associated with Srei since 1997. He is an associate	He holds a bachelor's degree in commerce from the University of Calcutta

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Devendra Kumar Vyas (DIN: 00651362)	Mr. Indranil Sengupta (DIN: 08807005)
specific functional areas	<p>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 the Regional Direct Taxes</p>	<p>economy's infrastructure needs at the beginning of his career and anticipated the imminent role of private sector in infrastructure creation. With foresight and a knack for taking calculated risks, he has converted several pioneering ideas into business reality within the infrastructure domain, several of which were first-of-its kind in India. Quippo, the Country's largest infrastructure equipment rental company, was his brainchild.</p> <p>As the Vice Chairman, he has been instrumental in building the brand Srei. With consolidated assets of around USD 6 billion under the Company's management, Srei is today a name synonymous with infrastructure in India, especially in the area of infrastructure development and financing. Under his guidance, Srei Equipment</p>	<p>member of The Institute of Chartered Accountants of India (ICAI). He has 28 years of experience in the financial services sector. He is the Chairman of the ASSOCHAM National Council on Construction Equipment & Tunnelling. Further, he is also a member of the Governing Council of Indian Construction Equipment Manufacturers' Association, a life member of the Association of Corporate Advisors and Executives, Kolkata, and also a member of PHD Chamber of Commerce and Industry.</p>	<p>and is a certified associate of the Indian Institute of Bankers. He has over 35 years of experience in the banking and financial services sectors. In the past, he has worked in various capacities with the State Bank of India and BNP Paribas. He has been associated with the Company since 1st April, 2014 as Head – Risk and lastly as Chief Risk Officer (CRO) of the Company till 30th June, 2020.</p>

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Devendra Kumar Vyas (DIN: 00651362)	Mr. Indranil Sengupta (DIN: 08807005)
	Advisory Committee, Government of India and a Member of ICC Executive Committee.	<p>Finance Limited has emerged as one of India's premier infrastructure equipment financier.</p> <p>Today he is one of India's most respected thought leaders within the domains of infrastructure and finance. He has had the distinction of serving ASSOCHAM, India's oldest and leading chamber of commerce, as President.</p> <p>He is currently the Honorary Consul of Spain in Kolkata. He is the former President of The Agri-Horticultural Society of India and has served as Member of the Construction Sector in the 10th Five Year Plan of the Planning Commission of the Government of India. He is a Council Member of the Institute of Chartered Accountants of India (ICAI), nominated by the Government of India.</p>		
Qualification	B. Com. (Hons.)	FCA	B. Com, ACA	B. Com, CAIIB

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Devendra Kumar Vyas (DIN: 00651362)	Mr. Indranil Sengupta (DIN: 08807005)
List of outside Directorships held	<ul style="list-style-type: none"> • Srei Infrastructure Finance Limited • Austrian Anadi Bank AG, Austria 	<ul style="list-style-type: none"> • Srei Infrastructure Finance Limited • Grupo Empresarial San Jose, S. A. 	<ul style="list-style-type: none"> • PHD Chamber of Commerce and Industry 	NIL
Chairman/Member of the Committees of Board of Directors of the Company	<p>Chairman – Corporate Social Responsibility (CSR) Committee</p> <p>Chairman – Committee of Directors</p> <p>Member – Credit and Investment Committee</p> <p>Member – Asset Liability Management (ALM) Committee</p> <p>Member – Risk Committee</p>	<p>Member – Committee of Directors</p> <p>Member – Audit Committee</p> <p>Member – Credit and Investment Committee</p> <p>Member – Asset Liability Management Committee</p> <p>Member – Corporate Social Responsibility (CSR) Committee</p> <p>Member – Stakeholders Relationship Committee</p>	<p>Member – Committee of Directors</p> <p>Member – Credit and Investment Committee</p> <p>Member – Asset Liability Management Committee</p> <p>Member – Stakeholders Relationship Committee</p> <p>Member – IT Strategy Committee</p>	NIL

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Devendra Kumar Vyas (DIN: 00651362)	Mr. Indranil Sengupta (DIN: 08807005)
Chairman/Member of the Committees of Board of Directors of other Indian Public Limited Companies in which he is a Director –				
a) Audit Committee	NIL	1 (Chairman – Nil) • Srei Infrastructure Finance Limited	NIL	NIL
b) Stakeholders' Relationship Committee	1 (Chairman – Nil) • Srei Infrastructure Finance Limited	1 (Chairman – Nil) • Srei Infrastructure Finance Limited	NIL	NIL
Shareholding in the Company	1 (one) Equity share (as Nominee of Srei Infrastructure Finance Limited, Holding Company)	1 (one) Equity share (as Nominee of Srei Infrastructure Finance Limited, Holding Company)	NIL	NIL
Relationship with other Directors, Managers and Key Managerial Personnel (KMP)	Mr. Sunil Kanoria (Brother)	Mr. Hemant Kanoria (Brother)	NIL	NIL

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Devendra Kumar Vyas (DIN: 00651362)	Mr. Indranil Sengupta (DIN: 08807005)
No. of Board Meetings attended during Financial Year 2019-20 [out of 8 (eight) held]	7 (Seven)	8 (Eight)	7 (Seven)	Not applicable (since appointment is w.e.f. 1st August, 2020)
Terms and conditions of Appointment or Re-appointment	In accordance with the Agreement between Mr. Hemant Kanoria and the Company dated 20th June, 2019.	In accordance with the Agreement between Mr. Sunil Kanoria and the Company dated 10th May, 2018.	In accordance with the Agreement between Mr. Devendra Kumar Vyas and the Company dated 20th June, 2019.	In accordance with the Draft Agreement to be executed between Mr. Indranil Sengupta and the Company.
Details of Remuneration (Salary, Sitting fees, Commission) sought to be paid and the Remuneration last drawn				
➤ FY 2018-19 (Rs.)	7,56,57,866/-	7,61,45,374/-	4,01,81,720/- (He was appointed as the Managing Director (MD) of the Company w.e.f. 1st February, 2019. He was the Chief Executive Officer of the Company prior to his appointment as MD)	2,13,14,328/-
➤ FY 2019-20 (Rs.)	4,97,19,880/-	4,97,85,767/-	4,11,33,970/-	1,67,22,212/-

Name of Director	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Devendra Kumar Vyas (DIN: 00651362)	Mr. Indranil Sengupta (DIN: 08807005)
	Mr. Hemant Kanoria shall be paid remuneration in accordance with the terms and conditions of the Agreement executed between him and the Company dated 20th June, 2019 and the Special Resolution approved by the Members.	Mr. Sunil Kanoria shall be paid remuneration in accordance with the terms and conditions of the Agreement executed between him and the Company dated 10th May, 2018 and the Special Resolution approved by the Members.	Mr. Devendra Kumar Vyas shall be paid remuneration in accordance with the terms and conditions of the Agreement executed between him and the Company dated 20th June, 2019 and the Special Resolution approved by the Members.	Mr. Indranil Sengupta had drawn remuneration as the Head – Risk & thereafter as Chief Risk Officer (CRO) of the Company during the Financial Year 2018-19 & 2019-20. Mr. Sengupta shall be paid remuneration in accordance with the Draft Agreement to be executed between him and the Company and the Special Resolution approved by the Members.

By Order of the Board of Directors
For **Srei Equipment Finance Limited**

Dated: 27th July, 2020
Place: Kolkata

Ritu Bhojak
Company Secretary
FCS 8532

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

Item No. 3

Pursuant to the resignation of M/s. G. P. Agrawal & Co., Chartered Accountants, as the Statutory Auditors of the Company w.e.f. 10th November, 2019 resulting in a casual vacancy as envisaged by Section 139(8) of the Companies Act, 2013, based on the recommendation of the Audit Committee and the Board of Directors, the Members of the Company at the Extraordinary General Meeting held on 27th November, 2019 had approved the appointment of M/s. L. B. Jha & Co., Chartered Accountants, having Firm Registration No. 301088E allotted by The Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company to hold office w.e.f. 10th November, 2019 till the conclusion of this 14th (Fourteenth) Annual General Meeting of the Company.

Further, looking at the increased size and scale of operations of the Company pursuant to the transfer of Lending Business, Interest Earning Business & Lease Business (“Transferred Undertaking”) of Srei Infrastructure Finance Limited (SIFL), holding company to the Company pursuant to the Business Transfer Agreement dated 16th August, 2019, and based on the recommendation of the Audit Committee and the Board of Directors, the Members of the Company at the Extraordinary General Meeting held on 26th March, 2020 had approved the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W/W100048 allotted by ICAI, as Joint Statutory Auditors of the Company in addition to the existing Statutory Auditors of the Company i.e. M/s. L. B. Jha & Co., Chartered Accountants, to hold office w.e.f. 23rd March, 2020 till the conclusion of the 14th (Fourteenth) Annual General Meeting of the Company.

Pursuant to the provisions of Section 139(1) of the Companies Act, 2013 (“the Act”) and the rules framed thereunder, every company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. Further, pursuant to the provisions of Section 139(2) of the Companies Act, 2013 (“the Act”) and the rules framed thereunder, no listed company or a company belonging to such class or classes of companies as may be prescribed under the rules, shall appoint or re-appoint an audit firm for more than two terms of 5 (five) consecutive years.

The Board of Directors has, based on the recommendation of the Audit Committee, at their meeting held on 27th July, 2020, proposed the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W/W100048 allotted by ICAI as the Statutory Auditor of the Company for a period of 5 (five) years, to hold office from the conclusion of 14th (Fourteenth) Annual General Meeting till the conclusion of the 19th (Nineteenth) Annual General Meeting of the Company.

The Audit Committee 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 M/s. Haribhakti & Co. LLP, Chartered Accountants to be best suited to handle the audit of the financial statements of the Company.

M/s. Haribhakti & Co. LLP, 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, M/s. Haribhakti & Co. LLP, Chartered Accountants has 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. M/s. Haribhakti & Co. LLP, Chartered Accountants, has also furnished the peer review certificate issued to them by ICAI.

M/s. Haribhakti & Co. LLP, Chartered Accountants came into being in 1954 and since then has expanded to cover a wide array of services. They are the largest domestic accounting & consulting firm and provide a whole range of assurance, accounting, advisory and consulting services, both nationally and internationally, through their service divisions namely: Audit & Assurance, Risk & Advisory, Corporate Finance Advisory, Tax & Regulatory and Global Knowledge Services. M/s. Haribhakti & Co. LLP, focuses on building relationship for sustainable growth. They are registered with PCAOB (Public Company Accounting Oversight Board). Their team consists of 450+ members including Partners, Directors, Associate Directors, Managers, Associates, Article Trainees, etc.

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 12th Annual General Meeting (AGM) of the Company held on 10th May, 2018, approved the appointment of Mr. Hemant Kanoria (DIN: 00193015) as the Chairman and Managing Director and thereafter at the 13th AGM of the Company held on 20th June, 2019 approved his appointment 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 therein, for a period of 5 (five) years beginning from 1st November, 2018 till 31st October, 2023.

Due to the slowdown in the industry resulting in weakening demand and stressed cash-flow in the hands of MSME customers impacting their ability to repay loans thus creating a stress on growth of the NBFC sector, coupled with the impact of the Covid-19 pandemic on the business operations of the Company, the profitability of the Company during the Financial Year 2019-20 has been impacted and as a result there has been a situation of inadequacy of profits computed in the manner prescribed under Section 198 read with Section 197 of the Act in the said Financial Year and therefore the managerial remuneration paid to Mr. Hemant Kanoria for the Financial Year 2019-20 exceeds the limit prescribed under Sections 197 read with Part II of Schedule V 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 also. However, in addition to Financial Year 2019-20, approval is being sought for 2 (two) more years, i.e, for Financial Years 2020-21 and 2021-22.

In terms of the provisions of Section 197, read with Schedule V of the Act, in case of inadequacy of profits, the Company is required to obtain the approval of the Members by way of a Special resolution for payment of remuneration to managerial personnel in excess of the limit prescribed under Part II of Schedule V of the Act. Mr. Hemant Kanoria has voluntarily foregone the Commission entitlement for the Financial Year 2019-20 in view of the present difficult environment for NBFCs due to Covid-19 pandemic.

Further, Section II Part II of Schedule V of the Companies Act, 2013 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.

In view of the financial position of the Company, trend in the industry, Mr. Hemant Kanoria's qualification, experience, past performance as well as his past remuneration, a higher remuneration limit is being proposed for payment of remuneration to Mr. Hemant Kanoria for 3 (three) Financial Years i.e. 2019-20 to 2021-22 enhanced by an amount equal to the remuneration Mr. Hemant Kanoria received/will receive in the above financial years from Srei Infrastructure Finance Limited, the holding company of the Company.

Further, since Mr. Hemant Kanoria is also a managerial personnel of Srei Infrastructure Finance Limited, holding company, as per Schedule V of the Act, the total remuneration to be drawn from Srei Infrastructure 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 have approved the aforesaid and have accordingly recommended to the Members waiver of the excess amount of Rs. 292.42 Lacs (Rupees Two Hundred Ninety Two Lacs and Forty Two Thousand only) received by Mr. Hemant Kanoria during the Financial Year 2019-20, fixing the minimum remuneration payable to Mr. Hemant Kanoria for the subsequent Financial Years 2020-21 to 2021-22 and enhancement in remuneration limit for Mr. Hemant Kanoria enhanced by a sum equal to the entire remuneration received/receivable by Mr. Hemant Kanoria from Srei Infrastructure Finance Limited, the holding company of the Company, for each of the above Financial Years 2019-20 to 2021-22, in partial modification of the remuneration as approved by the Members at the 12th and 13th AGM of the Company held on 10th May, 2018 and 20th June, 2019 respectively.

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 entered into between the Company and Mr. Hemant Kanoria is available for inspection without any fee by the Members at the Registered Office of the Company on all working days except, Saturday, Sunday and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Mr. Hemant Kanoria may be deemed to be concerned or interested in the proposed Special 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 Special 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 Special 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, as the case may be:

I. General Information:

1. **Nature of industry:** The Company is classified as an Asset Finance Company – Systemically Important Non - Deposit taking under Section 45-IA of the RBI Act, 1934.

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:

(Rs. in Lacs)

Particulars	Year ended 31st March, 2019 (As per Ind AS)	Year ended 31st March, 2018 (As per Ind AS)	Year ended 31st March, 2017 As per IGAAP
Total Income	4,36,684	3,44,021	2,49,533
Total Expenses (including impairment on financial instruments, depreciation, etc.)	3,91,011	2,99,796	2,02,618
Profit Before Exceptional Items & Tax	45,673	44,225	21,642
Exceptional Items	-	-	-
Profit Before Tax	45,673	44,225	21,642
Current Tax	15,072	8,179	-
MAT Credit Entitlement	-	(2,843)	-
Deferred Tax	(37)	9,303	6,758
Profit After Tax	30,638	29,586	14,884
Total Comprehensive Income for the year	34,305	33,117	-
Profit Available for Appropriation	71,051	48,689	48,696
Paid up Equity Share Capital	5,966	5,966	5,966
Earnings Per Share (Rs.)	51.35	49.59	24.95

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 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 40 (forty) years of experience. He is currently 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.

The job profile of the Chairman is to generally look after the affairs of the Company under the supervision, control, directions and instructions of the Board of Directors (‘Board’). He shall perform such duties and functions as would be commensurate with his position as Chairman of the Company and as may be delegated to him by the Board from time to time.

Further, Mr. Hemant Kanoria is the Promoter of the Parent company and is a recognised name in the NBFC Industry.

2. Past remuneration:

(Amount in Rs.)

Remuneration	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2016-17
		7,56,57,866	6,78,45,509

3. **Remuneration proposed:** As set out in Special Resolution No. 4 to this Notice.

4. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Considering the responsibilities shouldered on him due to the enhanced business activities of the Company, the remuneration 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. Further, he holds 1 (one) Equity Share of the Company as Nominee of Srei Infrastructure Finance Limited. He is also related to Mr. Sunil Kanoria, Vice Chairman (Executive Director) of the Company, being brother.

III. Other information:

1. Reasons of loss or inadequate profits: Due to the prolonged liquidity crisis creating a stress on growth of the NBFC sector, coupled with the impact of the Covid-19 pandemic on the business operations of the Company, the profitability of the Company during the Financial Year 2019-20 has been impacted, which has resulted in inadequate profits during the Financial Year 2019-20. Further, it is possible that there could be a situation of absence or inadequacy of profits computed in the manner prescribed under Section 198 read with 197 of the Act in subsequent Financial Years.

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. These include recovery of write-off losses to improve profitability, focus on co-lending business with Banks and realigning the organizational structure. The Company would continue to leverage its growth opportunities through its latest capital light co-lending business model with both public sector and the private sector banks, which will enable the Company to access enhanced liquidity as well as allow the Company to collaborate and widen its market and customer base, thereby helping it maintain its strong market position. The Company shall continue to conduct direct lending and leasing business activities with its Small and Medium Enterprises (SME) and strategic customers. The Company also plans to engage in third party leasing with a focus to increase its fee income without impacting its balance sheet. The Company is also taking various initiatives to improve its financial performance. The senior management team (including Chairman, Vice Chairman and Managing Director) of the Company have decided to lead the efforts on expense control by volunteering to take pay cuts for the current Financial Year 2020-21. The Chairman and Vice Chairman have voluntarily reduced their pay by 30% (thirty per cent) and the Managing Director & other senior management members have reduced their pay in the range of 20% (twenty per cent) to 25% (twenty five per cent).

IV. Disclosure

The Company being a debt-listed company is exempted from the applicability of "Corporate Governance" to be mentioned in the Board of Director's report attached to its Financial Statement under the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, as per the Agreements dated 10th May, 2018 and 20th June, 2019.

3. Remuneration or Commission drawn by Managerial Personnel from any other company: Mr. Hemant Kanoria is also Chairman, in whole time capacity, of Srei Infrastructure Finance Limited (SIFL), holding company and was in receipt of Rs. 246.60 Lacs as remuneration for the Financial Year 2019-20 from SIFL.

4. Professional qualification and experience: Please refer Para A (II) (1) above.

5. Relationship between remuneration and performance: 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 (Rs. in Lacs)	Profit After Tax (Rs. in Lacs)	Remuneration drawn (in Rs.)
2018-19	45,673	30,638	7,56,57,866
2017-18	39,441	26,349	6,78,45,509
2016-17	21,642	14,884	5,23,26,341
2015-16	16,043	11,526	3,80,03,441
2014-15	22,736	15,302	4,06,04,207

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 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 Board approved Nomination and Remuneration Policy. This Policy ensures that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management personnel 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: Mr. Hemant Kanoria holds 1 (one) Equity share of the Company as on 31st March, 2020 as Nominee of Srei Infrastructure Finance Limited, holding company of the Company. Further, none of the shares held by Mr. Hemant Kanoria is under pledge.

Item No. 5

The Members of the Company at the 12th Annual General Meeting (AGM) of the Company held on 10th May, 2018, approved the appointment of Mr. Sunil Kanoria (DIN: 00421564) as the Vice Chairman of the Company 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 mentioned therein for a period of 5 (five) years beginning from 1st November, 2018 till 31st October, 2023.

Due to the slowdown in the industry resulting in weakening demand and stressed cash-flow in the hands of MSME customers impacting their ability to repay loans thus creating a stress on growth of the NBFC sector, coupled with the impact of the Covid-19 pandemic on the business operations of the Company, the profitability of the Company during the Financial Year 2019-20 has been impacted and as a result, there has been a situation of inadequacy of profits computed in the manner prescribed under Section 198 read with Section 197 of the Act in the said Financial Year and therefore the managerial remuneration paid to Mr. Sunil Kanoria for the Financial Year 2019-20 exceeds the limit prescribed under Sections 197 read with Part II of Schedule V 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 also. However, in addition to Financial Year 2019-20, approval is being sought for 2 (two) more years, i.e, for Financial Years 2020-21 and 2021-22.

In terms of the provisions of Section 197, read with Schedule V of the Act, in case of inadequacy of profits, the Company is required to obtain the approval of the Members by way of a special resolution for payment of remuneration to Managerial Personnel in excess of the limit prescribed under Part II of Schedule V of the Act. Mr. Sunil Kanoria has voluntarily foregone the Commission entitlement for the Financial Year 2019-20 in view of the present difficult environment for NBFCs due to Covid-19 pandemic.

No increase in remuneration of Mr. Sunil Kanoria is envisaged in terms of the proposed resolution, and the same is in line with the remuneration already approved by the Members at the 12th AGM of the Company held on 10th May, 2018.

The Board of Directors and the Nomination and Remuneration Committee of the Company have approved the aforesaid and have accordingly recommended waiver of the excess amount of Rs. 293.08 Lacs (Rupees Two Hundred Ninety Three Lacs and Eight Thousand Only) received by

Mr. Sunil Kanoria during the Financial Year 2019-20 and fixing the minimum remuneration payable to Mr. Sunil Kanoria for the subsequent Financial Years 2020-21 to 2021-22, in terms of the remuneration as approved by the Members at the 12th AGM of the Company held on 10th May, 2018.

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 entered into between the Company and Mr. Sunil Kanoria is available for inspection without any fee by the Members at the Registered Office of the Company on all working days except, Saturday, Sunday and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Mr. Sunil Kanoria may be deemed to be concerned or interested in the proposed Special Resolution in so far as it relates to his own remuneration and Mr. Hemant Kanoria, being a relative (Brother) of Mr. Sunil Kanoria, may also be deemed to be concerned or interested in the proposed Special 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 Special 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, as the case may be:

I. General Information:

1. Nature of industry: The Company is classified as an Asset Finance Company – Systemically Important Non - Deposit taking under Section 45-IA of the RBI Act, 1934.

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:

(Rs. In Lacs)

Particulars	Year ended 31st March, 2019 (As per Ind AS)	Year ended 31st March, 2018 (As per Ind AS)	Year ended 31st March, 2017 As per IGAAP
Total Income	4,36,684	3,44,021	2,49,533
Total Expenses (including impairment on	3,91,011	2,99,796	2,02,618

Particulars	Year ended 31st March, 2019 (As per Ind AS)	Year ended 31st March, 2018 (As per Ind AS)	Year ended 31st March, 2017 As per IGAAP
financial instruments, depreciation, etc.)			
Profit Before Exceptional Items & Tax	45,673	44,225	21,642
Exceptional Items	-	-	-
Profit Before Tax	45,673	44,225	21,642
Current Tax	15,072	8,179	-
MAT Credit Entitlement	-	(2,843)	-
Deferred Tax	(37)	9,303	6,758
Profit After Tax	30,638	29,586	14,884
Total Comprehensive Income for the year	34,305	33,117	-
Profit Available for Appropriation	71,051	48,689	48,696
Paid up Equity Share Capital	5,966	5,966	5,966
Earnings Per Share (Rs.)	51.35	49.59	24.95

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 Vice Chairman:

1. Details of background, recognition or awards, job profile of the Vice Chairman (“Managerial Personnel”) and suitability thereof:

Mr. Sunil Kanoria is a visionary who correctly assessed the Indian economy's infrastructure needs at the beginning of his career and anticipated the imminent role of private sector in infrastructure creation. With foresight and a knack for taking calculated risks, Mr. Sunil Kanoria converted several pioneering ideas into business reality within the infrastructure domain, several of which were first-of-its kind in India. Quippo, the Country's largest infrastructure equipment rental company, was Sunil's brainchild.

As the Vice Chairman, Mr. Sunil Kanoria has been instrumental in building the brand Srei. With consolidated assets of around USD 6 billion under the Company's management, Srei is today a name synonymous with infrastructure in India, especially in the area of infrastructure development and financing. Under Mr. Sunil Kanoria's guidance, Srei Equipment Finance Limited has emerged as one of India's premier infrastructure equipment financier.

Today Mr. Sunil Kanoria is one of India's most respected thought leaders within the domains of infrastructure and finance. He has had the distinction of serving ASSOCHAM, India's oldest and leading chamber of commerce, as President.

Mr. Sunil Kanoria is currently the Honorary Consul of Spain in Kolkata. He is the former President of The Agri-Horticultural Society of India and has served as Member of the Construction Sector in the 10th Five Year Plan of the Planning Commission of the Government of India. He is a Council Member of the Institute of Chartered Accountants of India (ICAI), nominated by the Government of India.

The job profile of the Vice Chairman is to generally look after the affairs of the Company under the supervision, control, directions and instructions of the Board. He shall perform

such duties and functions as would be commensurate with his position as Vice Chairman of the Company and as may be prescribed.

2. Past remuneration:

(Amount in Rs.)

Remuneration	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2016-17
		7,61,45,374	6,84,56,175

3. Remuneration proposed: Remuneration paid/payable to Mr. Sunil Kanoria is as per the earlier resolution approved by Members. Mr. Sunil Kanoria draws remuneration and / or Commission from the Company only in the capacity of his being the Vice Chairman, in whole time capacity.

4. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Considering the responsibilities shouldered on him due to the enhanced business activities of the Company, the remuneration 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. Sunil Kanoria has pecuniary relationship with the Company so far as it relates to his own appointment and remuneration. Further, he holds 1 (one) Equity Share of the Company as Nominee of Srei Infrastructure Finance Limited, holding company of the Company. He is also related to Mr. Hemant Kanoria, Chairman (Executive Director) of the Company, being Brother.

III. Other information:

1. Reasons of loss or inadequate profits: Due to the prolonged liquidity crisis creating a stress on growth of the NBFC sector, coupled with the impact of the Covid-19 pandemic on the business operations of the Company, the profitability of the Company during the Financial Year 2019-20 has been impacted, which has resulted in inadequate profits during the Financial Year 2019-20. Further, it is possible that there could be a situation of absence / inadequacy of profit computed in the manner prescribed under Section 198 read with 197 of the Act in subsequent Financial Years.

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. These include recovery of write-off losses to improve profitability, focus on co-lending business with Banks and realigning the organizational structure. The Company would continue to leverage its growth opportunities through its latest capital light co-lending business model with both public sector and the private sector banks, which will enable the Company to access enhanced liquidity as well as allow the Company to collaborate and widen its market and customer base, thereby helping it maintain its strong market position. The Company shall continue to conduct direct lending

and leasing business activities with its Small and Medium Enterprises (SME) and strategic customers. The Company also plans to engage in third party leasing with a focus to increase its fee income without impacting its balance sheet. The Company is also taking various initiatives to improve its financial performance. The senior management team (including Chairman, Vice Chairman and Managing Director) of the Company have decided to lead the efforts on expense control by volunteering to take pay cuts for the current Financial Year 2020-21. The Chairman and Vice Chairman have voluntarily reduced their pay by 30% (thirty per cent) and the Managing Director & other senior management members have reduced their pay in the range of 20% (twenty per cent) to 25% (twenty five per cent).

IV. Disclosure

The Company being a debt-listed company is exempted from the applicability of “Corporate Governance” to be mentioned in the Board of Director’s report attached to its Financial Statement under the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. Sunil Kanoria draws remuneration and / or Commission from the Company only in the capacity of his being the Vice Chairman, in whole time capacity.

3. Remuneration or Commission drawn by Managerial Personnel from any other company: Mr. Sunil Kanoria is also the Vice Chairman (Non-Executive Director) of Srei Infrastructure Finance Limited (SIFL), holding company of the Company and was in receipt of Rs. 10.50 Lacs as Sitting Fees for the Financial Year 2019-20 from SIFL.

4. Professional qualification and experience: Please refer Para A (II) (1) above.

5. Relationship between remuneration and performance: Mr. Sunil Kanoria draws remuneration and / or Commission from the Company in the capacity of his being the Vice Chairman (Whole time Director) in accordance with the agreement executed with the Company dated 10th May, 2018. The financial performance of the Company and remuneration drawn by Mr. Sunil Kanoria during last 5 (five) years is given below:

Financial Year	Profit Before Tax (Rs. in Lacs)	Profit After Tax (Rs. in Lacs)	Remuneration drawn (in Rs.)
2018-19	45,673	30,638	7,61,45,374
2017-18	39,441	26,349	6,84,56,175
2016-17	21,642	14,884	5,15,85,165
2015-16	16,043	11,526	3,92,26,764
2014-15	22,736	15,302	3,99,35,126

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(s) (KMPs) and Senior Management Personnel(s) (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 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 Board-approved Remuneration Policy. This Policy ensures that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management personnel 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: Mr. Sunil Kanoria holds 1 (one) Equity share of the Company as on 31st March, 2020 as Nominee of Srei Infrastructure Finance Limited, holding company of the Company. Further, none of the shares held by Mr. Sunil Kanoria is under pledge.

Item No. 6

It was informed to the Board that the Members of the Company at the 13th Annual General Meeting (AGM) of the Company held on 20th June, 2019, approved the appointment of Mr. Devendra Kumar Vyas (DIN: 00651362) as the Managing Director of the Company 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 contained therein for a period of 5 (five) years beginning from 1st February, 2019 till 31st January, 2024.

Due to the slowdown in the industry resulting in weakening demand and stressed cash-flow in the hands of MSME customers impacting their ability to repay loans thus creating a stress on growth of the NBFC sector, coupled with the impact of the Covid-19 pandemic on the business operations of the Company, the profitability of the Company during the Financial Year 2019-20 has been impacted and as a result there has been a situation of inadequacy of profits computed in the manner prescribed under Section 198 read with Section 197 of the Act in the said Financial Year and therefore the managerial remuneration paid to Mr. Devendra Kumar Vyas for the Financial Year 2019-20 exceeds the limit prescribed under Sections 197 read with Part II of Schedule V 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 also. However, in addition to Financial Year 2019-20, approval is being sought for 2 (two) more years, i.e, for Financial Years 2020-21 and 2021-22.

In terms of the provisions of Section 197, read with Schedule V of the Act, in case of inadequacy of profits, the Company is required to obtain the approval of the Members by way of a special resolution for payment of remuneration to Managerial Personnel in excess of the limit prescribed under Part II of Schedule V of the Act.

No increase in remuneration of the Managing Director is envisaged in terms of the proposed resolution, and the same is in line with the remuneration already approved by the Members at the 13th AGM of the Company held on 20th June, 2019.

The Board of Directors and the Nomination and Remuneration Committee of the Company have approved the aforesaid and have accordingly recommended to the Board of Directors waiver of the excess amount of Rs. 206.56 Lacs (Rupees Two Hundred Six Lacs and Fifty Six Thousand Only) received by Mr. Devendra Kumar Vyas during the Financial Year 2019-20 and fixing the minimum remuneration payable to Mr. Devendra Kumar Vyas for the subsequent Financial Years 2020-21 to 2021-22, in terms of the remuneration as approved by the Members at the 13th AGM of the Company held on 20th June, 2019.

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 entered into between the Company and Mr. Devendra Kumar Vyas is available for inspection without any fee by the Members at the Registered Office of the Company on all working days except, Saturday, Sunday and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Mr. Devendra Kumar Vyas may be deemed to be concerned or interested in the proposed Special Resolution in so far as it relates to his own remuneration.

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 Special 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, as the case may be:

I. General Information:

1. Nature of industry: The Company is classified as an Asset Finance Company – Systemically important Non - Deposit taking under Section 45-IA of the RBI Act, 1934.

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:

(Rs. in Lacs)

Particulars	Year ended 31st March, 2019 (As per Ind AS)	Year ended 31st March, 2018 (As per Ind AS)	Year ended 31st March, 2017 As per IGAAP
Total Income	4,36,684	3,44,021	2,49,533
Total Expenses (including impairment on financial instruments, depreciation, etc.)	3,91,011	2,99,796	2,02,618
Profit Before Exceptional Items & Tax	45,673	44,225	21,642
Exceptional Items	-	-	-
Profit Before Tax	45,673	44,225	21,642
Current Tax	15,072	8,179	-
MAT Credit Entitlement	-	(2,843)	-
Deferred Tax	(37)	9,303	6,758
Profit After Tax	30,638	29,586	14,884
Total Comprehensive Income for the year	34,305	33,117	-
Profit Available for Appropriation	71,051	48,689	48,696
Paid up Equity Share Capital	5,966	5,966	5,966
Earnings Per Share (Rs.)	51.35	49.59	24.95

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 Managing Director:

1. Details of background, recognition or awards, job profile of the Managing Director (“Managerial Personnel”) and suitability thereof:

Mr. Devendra Kumar Vyas has been associated with Srei since 1997. He is an associate member of The Institute of Chartered Accountants of India (ICAI). He has 28 years of experience in the financial services sector. He is the Chairman of the ASSOCHAM National Council on Construction Equipment & Tunnelling. Further, he is also a member of the Governing Council of Indian Construction Equipment Manufacturers’ Association, a life member of the Association of Corporate Advisors and Executives, Kolkata, and also a member of PHD Chamber of Commerce and Industry.

The job profile of Mr. Devendra Kumar Vyas is to generally look after the affairs of the Company under the supervision, control, directions and instructions of the Board of Directors (‘Board’). He shall perform such duties and functions as would commensurate with his position as Managing Director of the Company and as may be delegated to him by the Board and/or the Chairman / Vice Chairman from time to time.

2. Past remuneration:

(Amount in Rs.)

Remuneration	Financial Year 2018-19	Financial Year 2017-18*	Financial Year 2016-17*
		4,01,81,720	3,24,67,145

*Mr. Devendra Kumar Vyas received the remuneration as the CEO of the Company. He was appointed as the Managing Director of the Company w.e.f. 1st February, 2019.

3. Remuneration proposed: Remuneration paid/payable to Mr. Devendra Kumar Vyas is as per the earlier resolution approved by Members. Mr. Devendra Kumar Vyas draws remuneration from the Company only in the capacity of his being the Managing Director in terms of the Agreement dated 20th June, 2019.

4. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Considering the responsibilities shouldered on him due to the enhanced business activities of the Company, the remuneration 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. Devendra Kumar Vyas has pecuniary relationship with the Company so far as it relates to his own appointment and remuneration. He is not related to any Director or Key Managerial Personnel (KMP) of the Company. Further, he does not hold any securities of the Company.

III. Other information:

1. Reasons of loss or inadequate profits: Due to the prolonged liquidity crisis creating a stress on growth of the NBFC sector, coupled with the impact of the Covid-19 pandemic on the business operations of the Company, the profitability of the Company during the Financial Year 2019-20 has been impacted, which has resulted in inadequate profits during the Financial Year 2019-20. Further, it is possible that there could be a situation of absence or inadequacy of profit computed in the manner prescribed under Section 198 read with 197 of the Act in subsequent Financial Years.

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. These include recovery of write-off losses to improve profitability, focus on co-lending business with Banks and realigning the organizational structure. The Company would continue to leverage its growth opportunities through its latest capital light co-lending business model with both public sector and the private sector banks, which will enable the Company to access enhanced liquidity as well as allow the Company to collaborate and widen its market and customer base, thereby helping it maintain its strong market position. The Company shall continue to conduct direct lending and leasing business activities with its Small and Medium Enterprises (SME) and strategic

customers. The Company also plans to engage in third party leasing with a focus to increase its fee income without impacting its balance sheet. The Company is also taking various initiatives to improve its financial performance. The senior management team (including Chairman, Vice Chairman and Managing Director) of the Company have decided to lead the efforts on expense control by volunteering to take pay cuts for the current Financial Year 2020-21. The Chairman and Vice Chairman have voluntarily reduced their pay by 30% (thirty per cent) and the Managing Director & other senior management members have reduced their pay in the range of 20% (twenty per cent) to 25% (twenty five per cent).

IV. Disclosure:

The Company being a debt-listed company is exempted from the applicability of “Corporate Governance” to be mentioned in the Board of Director’s report attached to its Financial Statement under the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. Devendra Kumar Vyas draws remuneration from the Company only in the capacity of his being the Managing Director in terms of the agreement dated 20th June, 2019.

3. Remuneration or Commission drawn by Managerial Personnel from any other company: Not Applicable.

4. Professional qualification and experience: Please refer Para A (II) (1) above.

5. Relationship between remuneration and performance: Mr. Devendra Kumar Vyas draws remuneration from the Company in the capacity of his being the Managing Director in accordance with the agreement executed with the Company dated 20th June, 2019. The financial performance of the Company and remuneration drawn by Mr. Devendra Kumar Vyas during last 5 (five) years is given below:

Financial Year	Profit Before Tax (Rs. in Lacs)	Profit After Tax (Rs. in Lacs)	Remuneration drawn (in Rs.)
2018-19**	45,673	30,638	4,01,81,720
2017-18*	39,441	26,349	3,24,67,145
2016-17*	21,642	14,884	2,84,07,041
2015-16*	16,043	11,526	2,92,23,708
2014-15*	22,736	15,302	2,35,55,640

*Mr. Devendra Kumar Vyas received the remuneration as the CEO of the Company.

**He was appointed as the Managing Director of the Company w.e.f. 1st February, 2019.

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(s) (KMPs) and Senior Management Personnel(s) (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 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 Board-approved Remuneration Policy. This Policy ensures that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management personnel 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: Mr. Devendra Kumar Vyas does not hold any securities of the Company as on 31st March, 2020.

Item No. 7

Mr. Indranil Sengupta has been associated with the Company, Srei Equipment Finance Limited since 1st April, 2014 as Head – Risk of the Company. Further, Mr. Indranil Sengupta was designated as the Chief Risk Officer (CRO) of the Company from 17th May, 2019 till 30th June, 2020. Hence, considering his knowledge of Company's business, the Board of Directors at its meeting held on 27th July, 2020 had appointed him as an Additional Director (Category – Executive Director) pursuant to the provisions of Section 161 of the Companies Act, 2013 with effect from 1st August, 2020 to hold office as such upto the date of this Annual General Meeting and as the Whole-time Director (WTD) of the Company for a period of 1 (one) year beginning from 1st August, 2020 and ending on 31st July, 2021 on the recommendation of the Audit Committee and Nomination and Remuneration Committee. Mr. Sengupta's office shall be liable to retirement by rotation and be subject to approval of the Members of the Company and all such statutory approvals as may be required. The proposed remuneration and terms and conditions are stated in Resolution No. 7 of the Notice.

The Company has received from Mr. Indranil Sengupta (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Rule 14 of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, and (iii) Declaration and Undertaking as well as Deed of

Covenant as prescribed under Non-Banking Financial Companies – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Board of Directors of the Company considers that the appointment of Mr. Indranil Sengupta as Whole-time Director of the Company for the period proposed in the resolution is in the best interests of the Company.

Mr. Indranil Sengupta satisfies all the conditions set out in Part I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

In terms of the provisions of Section 197, read with Schedule V of the Act, the Company is required to obtain the approval of the Members by way of a Special Resolution for payment of remuneration to Managerial Personnel in case of absence / inadequacy of profits. Due to the prolonged liquidity crisis creating a stress on growth of the NBFC sector, coupled with the impact of the Covid-19 pandemic on the business operations of the Company, the profitability of the Company during the Financial Year 2019-20 has been impacted. Further, it is possible that there could be a situation of absence and/or inadequacy of profits computed in the manner prescribed under Section 198 read with 197 of the Act in the Financial Year 2020-21.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members and approve the payment of salary, allowance and perquisites as laid out in the Draft Agreement as the minimum remuneration payable to Mr. Indranil Sengupta for a period of 1 (one) year beginning from 1st August, 2020 and ending on 31st July, 2021 in case of absence or inadequacy of profits.

The Company has also received notice in writing from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing the candidature of Mr. Indranil Sengupta for appointment as Whole-time Director of the Company.

Pursuant to Section 190 of the Companies Act, 2013, a copy of the Draft Agreement proposed to be entered into between the Company and Mr. Indranil Sengupta is available for inspection by the Members of the Company, without payment of fee, at the Registered Office of the Company situated at ‘Vishwakarma’, 86C, Topsia Road (South), Kolkata – 700 046 between 11.00 a.m. to 1.00 p.m. on all working days except Saturday, Sunday and public holidays.

Mr. Indranil Sengupta and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment.

Pursuant to Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Mr. Indranil Sengupta are given at Note 10 of this AGM Notice.

None of the 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, as the case may be:

I. General Information:

1. **Nature of industry:** The Company is classified as an Asset Finance Company – Systemically important Non - Deposit taking under Section 45-IA of the RBI Act, 1934.
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:

(Rs. in Lacs)

Particulars	Year ended 31st March, 2019 (As per Ind AS)	Year ended 31st March, 2018 (As per Ind AS)	Year ended 31st March, 2017 As per IGAAP
Total Income	4,36,684	3,44,021	2,49,533
Total Expenses (including impairment on financial instruments, depreciation, etc.)	3,91,011	2,99,796	2,02,618
Profit Before Exceptional Items & Tax	45,673	44,225	21,642
Exceptional Items	-	-	-
Profit Before Tax	45,673	44,225	21,642
Current Tax	15,072	8,179	-
MAT Credit Entitlement	-	(2,843)	-
Deferred Tax	(37)	9,303	6,758
Profit After Tax	30,638	29,586	14,884
Total Comprehensive Income for the year	34,305	33,117	-
Profit Available for Appropriation	71,051	48,689	48,696
Paid up Equity Share Capital	5,966	5,966	5,966
Earnings Per Share (Rs.)	51.35	49.59	24.95

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 Whole-time Director:

1. **Details of background, recognition or awards, job profile of the Whole-time Director (“Managerial Personnel”) and suitability thereof:**

Mr. Indranil Sengupta has been associated with the Company, Srei Equipment Finance Limited since 1st April, 2014 as Head – Risk of the Company. Further, Mr. Indranil Sengupta was designated as the Chief Risk Officer (CRO) of the Company from 17th May, 2019 and ending on 30th June, 2020. Mr. Indranil Sengupta holds a bachelor’s degree in commerce from the University of Calcutta and is a certified associate of the

Indian Institute of Bankers. He has over 35 years of experience in the banking and financial services sectors. In the past, he has worked in various capacities with the State Bank of India and BNP Paribas.

The job profile of Mr. Indranil Sengupta is to generally look after the affairs of the Company under the supervision, control, directions and instructions of the Managing Director and/or the Board. He shall perform such duties and functions as would commensurate with his position as Whole-time Director (WTD) of the Company and as may be delegated to him by the Board and/or the Chairman/Vice Chairman/Managing Director from time to time.

However, Mr. Indranil Sengupta will work closely with the departmental heads in ensuring that organisational goals are achieved in a timely manner particularly with regards to risk management; audit / internal control & governance; information technology and financial services group / equipment solutions group specific assignments.

2. Past remuneration:

(Amount in Rs.)

	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2016-17
Remuneration*	2,13,14,328	1,95,40,260	1,88,90,805

*The remuneration was drawn as the Head – Risk / Chief Risk Officer (CRO) of the Company

3. Remuneration proposed: As set out in Special Resolution No. 7 to this Notice.

4. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Considering the responsibilities shouldered on him, the remuneration 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. Indranil Sengupta has pecuniary relationship with the Company so far as it relates to his own appointment and remuneration. He is not related to any Director or Key Managerial Personnel (KMP) of the Company. Further, he does not hold any securities of the Company.

III. Other information:

1. Reasons of loss or inadequate profits: Due to the prolonged liquidity crisis creating a stress on growth of the NBFC sector, coupled with the impact of the Covid-19 pandemic on the business operations of the Company, the profitability of the Company during the Financial Year 2019-20 has been impacted, which has resulted in inadequate profits during the Financial Year 2019-20. Further, it is possible that there could be a situation of absence / inadequacy of profits computed in the manner prescribed under Section 198 read with 197 of the Act in subsequent Financial Years.

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. These include recovery of write-off losses to improve profitability, focus on co-lending business with Banks and realigning the organizational structure. The Company would continue to leverage its growth opportunities through its latest capital light co-lending business model with both public sector and the private sector banks, which will enable the Company to access enhanced liquidity as well as allow the Company to collaborate and widen its market and customer base, thereby helping it maintain its strong market position. The Company shall continue to conduct direct lending and leasing business activities with its Small and Medium Enterprises (SME) and strategic customers. The Company also plans to engage in third party leasing with a focus to increase its fee income without impacting its balance sheet. The Company is also taking various initiatives to improve its financial performance. The senior management team (including Chairman, Vice Chairman and Managing Director) of the Company have decided to lead the efforts on expense control by volunteering to take pay cuts for the current Financial Year 2020-21. The Chairman and Vice Chairman have voluntarily reduced their pay by 30% (thirty per cent) and the Managing Director & other senior management members have reduced their pay in the range of 20% (twenty per cent) to 25% (twenty five per cent).

IV. Disclosure

The Company being a debt-listed company is exempted from the applicability of “Corporate Governance” to be mentioned in the Board of Director’s report attached to its Financial Statement under the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. Indranil Sengupta drew remuneration till 30th June, 2020 only in the capacity of his being the Head – Risk/Chief Risk Officer (CRO) of the Company and the same is covered in Para B (5) below.

3. Remuneration or Commission drawn by Managerial Personnel from any other company: Not Applicable.

4. Professional qualification and experience: Please refer Para A (II) (1) above.

5. Relationship between remuneration and performance: Mr. Indranil Sengupta drew remuneration from the Company till 30th June, 2020 in the capacity of his being the Head – Risk/Chief Risk Officer (CRO) of the Company. The financial performance of the

Company and remuneration drawn by Mr. Indranil Sengupta during last 5 (five) years is given below:

Financial Year	Profit Before Tax (Rs. in Lacs)	Profit After Tax (Rs. in Lacs)	Remuneration drawn (in Rs.)
2018-19	45,673	30,638	2,13,14,328
2017-18	39,441	26,349	1,95,40,260
2016-17	21,642	14,884	1,88,90,805
2015-16	16,043	11,526	1,05,31,134
2014-15	22,736	15,302	70,45,477

Note: Mr. Indranil Sengupta joined the Company on 1st April, 2014 as Head - Risk.

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(s) (KMPs) and Senior Management Personnel(s) (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 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 Board approved Remuneration Policy. This Policy ensures that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management personnel 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: Mr. Indranil Sengupta does not hold any securities of the Company.

By Order of the Board of Directors
For Srei Equipment Finance Limited

Dated: 27th July, 2020
Place: Kolkata

Ritu Bhojak
Company Secretary
FCS 8532



SREI EQUIPMENT FINANCE LIMITED

CIN : U70101WB2006PLC109898

Registered Office : 'Vishwakarma'

86C, Topsia Road (South), Kolkata - 700 046

Tel No. 033 – 6160 7734, Fax No. 033 – 2285 7542

Website : www.srei.com, Email : investor.sefl@srei.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	U70101WB2006PLC109898		
Name of the Company :	Srei Equipment Finance Limited		
Registered Office :	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046		
Name of the Member(s) :			
Registered address :			
E-mail ID :			
Folio No/ Client ID :		DP ID :	

I/We, being the Member (s) of shares of the above named Company, hereby appoint

1.	Name			
	Address			
	E-mail ID	Signature		
	or failing him			
2.	Name			
	Address			
	E-mail ID	Signature		
	or failing him			
3.	Name			
	Address			
	E-mail ID	Signature		

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Fourteenth Annual General Meeting** of the Company, to be held on Tuesday, 25th August, 2020 at 11.00 a.m. at the Registered Office of the Company situated at 'Vishwakarma,' 86C, Topsia Road (South), Kolkata – 700 046 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional)	
		For	Against
Ordinary Business			
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2020, and the Reports of the Board of Directors and Auditors thereon.		
2.	Appointment of a Director in place of Mr. Hemant Kanoria (holding DIN 00193015) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants as Statutory Auditor of the Company for a period of 5 (five) consecutive years from the conclusion of the 14th AGM till the conclusion of the 19th AGM of the Company.		
Special Business			
4.	Approval for payment of remuneration to Mr. Hemant Kanoria (DIN: 00193015), Chairman, consequent upon inadequacy of profits.		

Resolution No.	Resolution	Vote (Optional)	
		For	Against
5.	Approval for payment of remuneration to Mr. Sunil Kanoria (DIN: 00421564), Vice Chairman, consequent upon inadequacy of profits.		
6.	Approval for payment of remuneration to Mr. Devendra Kumar Vyas (DIN 00651362), Managing Director, consequent upon inadequacy of profits.		
7.	Appointment of Mr. Indranil Sengupta (DIN: 08807005) as a Whole-time Director of the Company for a period of 1 (one) year w.e.f 1st August, 2020 ending on 31st July, 2021.		

Signed this day of 2020.

Signature of Shareholder : _____

Signature of 1st Proxy holder : _____

Signature of 2nd Proxy holder : _____

Signature of 3rd Proxy holder : _____

Affix Revenue Stamp

Note:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Proxy-holder shall prove his identity at the time of attending the Meeting. Proxies are requested to carry photo identification to the venue of the Meeting.
3. When a Member appoints a Proxy and both the Member and Proxy attend the meeting, the Proxy stands automatically revoked.
4. If appointed for more than 50 (fifty) Members, the Proxy shall choose any 50 (fifty) Members and confirm the same to the Company before the commencement of specified period for inspection. In case, the Proxy fails to do so, the Company shall consider only the first 50 (fifty) proxies received as valid.
5. Any alteration or correction made to this Proxy form must be initialled by the signatory/signatories.
6. If you wish to vote for a Resolution, place a tick in the corresponding box under the column marked "For". If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked "Against". If no direction is given, your Proxy may vote or abstain as he/she thinks fit.



SREI EQUIPMENT FINANCE LIMITED

CIN : U70101WB2006PLC109898

Registered Office : 'Vishwakarma'

86C, Topsia Road (South), Kolkata - 700 046

Tel No. 033 – 6160 7734, Fax No. 033 – 2285 7542

Website : www.srei.com, Email : investor.sefl@srei.com

ATTENDANCE SLIP

DP ID No.*		Regd. Folio No.	
Client ID No.*		No. of Share(s) held	

*Applicable for shares held in electronic form.

I hereby record my presence at the **Fourteenth Annual General Meeting** of the Company on Tuesday, 25th August, 2020 at 11.00 a.m. at the Registered Office of the Company situated at 'Vishwakarma,' 86C, Topsia Road (South), Kolkata – 700 046.

Full name of Shareholder/Proxy _____

(IN BLOCK LETTERS)

Signature of the Shareholder/Proxy

Route map to the venue of the 14th Annual General Meeting (AGM)



For queries contact us:
☎ +91 33 61607734
✉ investor.sefl@srei.com

Vishwakarma Building
86C, Topsia Road (South), Kolkata - 700 046

