

SREI EQUIPMENT FINANCE LIMITED
Balance sheet as at March 31st, 2019

(₹ in Lakhs)

	Particulars	Note No.	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
ASSETS					
(1)	Financial assets				
(a)	Cash and cash equivalents	3	21,624	2,529	7,183
(b)	Bank Balance other than (a) above	4	1,57,472	80,250	32,560
(c)	Derivative financial instruments	5	5,717	3,864	7,406
(d)	Receivables				
	i) Trade receivables	6	10,664	11,284	5,579
(e)	Loans	7	18,61,487	17,60,686	12,44,718
(f)	Investments	8	10,341	11,194	10,430
(g)	Other financial assets	9	49,773	54,190	41,752
(2)	Non-financial assets				
(a)	Current tax assets (Net)	10	-	5,228	488
(b)	Property, Plant and Equipment	12	4,51,238	4,43,875	2,31,306
(c)	Other Intangible assets	13	535	1,115	2,374
(d)	Other non-financial assets	11	91,623	1,06,297	92,508
	Total Assets		26,60,474	24,80,512	16,76,304
LIABILITIES AND EQUITY					
LIABILITIES					
(1)	Financial Liabilities				
(a)	Derivative financial instruments	5	5,302	4,395	4,322
(b)	Payables				
	(i) Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises	14(i)	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14(ii)	1,71,437	1,78,320	1,06,288
(c)	Debt Securities	15	1,84,735	1,21,292	97,779
(d)	Borrowings (Other than Debt Securities)	16	17,28,634	16,50,599	10,32,738
(e)	Subordinated Liabilities	17	1,83,380	1,82,801	1,58,393
(f)	Other financial liabilities	18	63,865	52,696	33,875
2	Non-Financial Liabilities				
(a)	Current Tax Liabilities (Net)	19	93	-	-
(b)	Provisions	20	1,373	1,292	2,016
(c)	Deferred tax liabilities (Net)	21	18,490	17,845	7,680
(d)	Other non-financial liabilities	22	12,731	12,139	3,939
3	EQUITY				
(a)	Equity Share capital	23	5,966	5,966	5,966
(b)	Other Equity	24	2,84,468	2,53,167	2,23,308
	Total Liabilities and Equity		26,60,474	24,80,512	16,76,304

Summary of Significant Accounting Policies 2
The accompanying notes are an integral part of the financial statements. 3 to 45

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

On behalf of the Board of Directors

Shrenik Baid
Partner

Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

Place : New Delhi
Date: 17th May, 2019

Place : Kolkata
Date: 17th May, 2019

SREI EQUIPMENT FINANCE LIMITED
Statement of Profit and Loss for the year ended March 31st, 2019

(All amount in ₹ Lakhs, unless otherwise stated)

	Particulars	Note	Year ended March 31st, 2019	Year ended March 31st, 2018
(I)	Revenue from operations			
	Interest Income	25	2,78,002	2,20,723
	Rental Income		1,27,435	87,242
	Fees and commission Income		4,632	8,618
	Net gain on fair value changes	26	5,977	881
	Net gain on derecognition of financial instruments under amortised cost category		7,331	13,378
	Others	27	16,908	16,504
	Total Revenue from operations (I)		4,40,285	3,47,346
(II)	Other Income	28	(3,601)	(3,325)
(III)	Total Income (I+II)		4,36,684	3,44,021
(IV)	Expenses			
	Finance Costs	29	2,14,861	1,62,210
	Fees and commission expense		2,722	3,291
	Net loss on fair value changes	26	3,400	3,630
	Net loss on derecognition of financial instruments under amortised cost category		14,939	10,845
	Impairment on financial instruments	30	30,435	13,614
	Loss/write-off on assets held for sale		7,544	9,680
	Employee Benefits Expenses	31	20,238	19,712
	Depreciation, amortisation and impairment	12&13	76,510	57,967
	Other expenses	32	20,362	18,847
	Total Expenses (IV)		3,91,011	2,99,796
(V)	Profit before tax (III- IV)		45,673	44,225
(VI)	Tax Expense:			
	(1) Current Tax		15,072	8,179
	(2) Mat Credit Entitlement		-	(2,843)
	(3) Deferred Tax		(37)	9,303
(VII)	Profit for the year (V-VI)		30,638	29,586
(VIII)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		(11)	806
	(b) Income tax relating to items that will not be reclassified to profit or loss		4	(278)
	SUBTOTAL (a+b)		(7)	528
	B (i) Items that will be reclassified to profit or loss			
	(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge;		(643)	-
	(b) Gains on fair valuation of loans		6,290	4,616
	(c) Income tax relating to items that will be reclassified to profit or loss		(1,973)	(1,613)
	SUBTOTAL (a+b+c)		3,674	3,003
	Other Comprehensive Income [A + B]		3,667	3,531
(IX)	Total Comprehensive Income for the year (VII+VIII)		34,305	33,117
(X)	Earnings per equity share (Face value of ₹ 10/- each)	33		
	Basic (₹)		51.35	49.59
	Diluted (₹)		51.35	49.59

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.

2

3 to 45

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

On behalf of the Board of Directors

Shrenik Baid
Partner

Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Manoj Kumar Beriwal
Chief Financial Officer

Ritu Bhojak
Company Secretary

Place : New Delhi
Date: 17th May, 2019

Place : Kolkata
Date: 17th May, 2019

SREI EQUIPMENT FINANCE LIMITED
Statement of Cash Flows for the year ended March 31st, 2019

	(₹ in Lakhs)	
	Year ended March 31st, 2019	Year ended March 31st, 2018
A. Cash Flows from Operating Activities		
Profit Before Tax	45,673	44,225
Adjustment for :		
Depreciation, amortization and Impairment expenses	76,510	57,967
Impairment on financial instruments	30,435	13,614
Net loss on derecognition of financial instruments under amortised cost category	14,939	10,845
Loss/write-off on assets held for sale	7,544	9,680
Loss on sale of property, plant and equipment	813	903
Liabilities no longer required written back	(5,110)	(3,024)
Finance costs	2,14,861	1,62,210
Net unrealised loss on foreign currency transaction and translation	3,636	2,355
Net unrealised fair value (gain)/loss	(2,723)	2,542
Operating profit before working capital changes	3,86,578	3,01,317
Changes in working capital :		
Increase in Trade Receivables and Others assets	(9,031)	(54,022)
Increase in Loans	(1,27,923)	(5,31,140)
Decrease in Trade Payables and Others liabilities	2,911	1,00,316
Increase in Fixed Deposit (Deposits with original maturity period of more than three months)	(77,222)	(47,690)
Cash generated/(used) in operations	1,75,313	(2,31,219)
Interest paid (net of foreign exchange fluctuation)	(2,08,357)	(1,60,367)
Advance taxes paid (including Tax deducted at Source)	(5,852)	(9,376)
Net Cash used in Operating Activities	(38,896)	(4,00,962)
B. Cash flows from Investing Activities		
Purchase of property, plant and equipment	(1,02,139)	(2,70,247)
Sale / (Purchase) of investments (net)	1,099	(96)
Proceeds from Sale of property, plant and equipment	20,612	3,224
Net Cash used in Investing Activities	(80,428)	(2,67,119)
C. Cash Flows from Financing Activities		
Proceeds from issuance of Debt securities (including subordinated debt securities)	1,16,381	87,113
Repayment on redemption of Debt securities (including subordinated debt securities)	(50,702)	(20,874)
Increase / (Decrease) in Working Capital facilities (net)	(1,59,697)	3,80,384
Increase in Other Borrowings (net)	2,32,439	2,16,804
Net Cash generated from Financing Activities	1,38,419	6,63,427
Net Increase / (Decrease) in Cash and Cash Equivalents	19,095	(4,654)
Cash & Cash Equivalents at the beginning of the year	2,529	7,183
Cash and Cash Equivalents at the end of the year (refer note 3)	21,624	2,529
Note :		
Components of Cash and Cash Equivalents:		
Cash on hand	307	635
In Current Account	21,317	1,894
	21,624	2,529
Cash and Bank Balance are represented by :		
Cash and Cash Equivalents	21,624	2,529
Other Bank Balances	1,57,472	80,250
	1,79,096	82,779

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.

2
3 to 45

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

On behalf of the Board of Directors

Shrenik Baid
Partner

Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Manoj Kumar Beriwal
Chief Financial Officer

Ritu Bhojak
Company Secretary

Place : New Delhi
Date: 17th May, 2019

Place : Kolkata
Date: 17th May, 2019

SREI EQUIPMENT FINANCE LIMITED
Statement of Changes in Equity for the year ended as at March 31st, 2019

a. Equity Share Capital

(₹ in Lakhs)						
Balance as at April 1st, 2017	Issued during the year	Reductions during the year	Balance as at March 31st, 2018	Issued during the year	Reductions during the year	Balance as at March 31st, 2019
5,966	-	-	5,966	-	-	5,966

b. Other Equity

Particulars	Reserves and Surplus							Effective portion of Cash Flow Hedges	Fair valuation of loans through other comprehensive income	Total
	Special reserve (created pursuant to Section 451C of the Reserve Bank of India Act, 1934)	Capital Reserve	Securities Premium	Debt redemption reserve	Income Tax Special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Retained Earnings				
Balance as at the April 1st, 2017	28,306	31	1,03,980	58,600	10,558	18,575	-	3,258	2,23,308	
Profit after tax for the year	-	-	-	-	-	29,586	-	-	29,586	
Other comprehensive income transferred from Statement of Profit and Loss	-	-	-	-	-	528	-	3,003	3,531	
Reclassified to Statement of Profit and Loss	-	-	-	-	-	-	-	(3,258)	(3,258)	
Transfer from retained earnings	5,270#	-	-	-	2,999	(8,269)	-	-	-	
Balance as at March 31st, 2018	33,576	31	1,03,980	58,600	13,557	40,420	-	3,003	2,53,167	
Profit after tax for the year	-	-	-	-	-	30,638	-	-	30,638	
Other comprehensive income transferred from Statement of Profit and Loss	-	-	-	-	-	(7)	(418)	4,092	3,667	
Reclassified to Statement of Profit and Loss	-	-	-	-	-	-	-	(3,003)	(3,003)	
Transfer from retained earnings	6,128	-	-	1,962	113	(8,203)	-	-	-	
Balance as at March 31st, 2019	39,704	31	1,03,980	60,562	13,670	62,848	(418)	4,092	2,84,468	

#Transfer of 20% of the profit after tax before re-measurement adjustments on transition to Ind AS, if any, to the statutory reserves in accordance with the provision of Section 45-1C of the RBI Act, 1934

Refer note 24 for nature and purpose of reserves.

Summary of Significant Accounting Policies
The accompanying notes are an integral part of the financial statements.

2
3 to 45

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

On behalf of the Board of Directors

Shrenik Baid
Partner

Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Manoj Kumar Beriwal
Chief Financial Officer

Ritu Bhojak
Company Secretary

Place : New Delhi
Date: 17th May, 2019

Place : Kolkata
Date: 17th May, 2019

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

In accordance with the notification issued by the MCA, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from 1st April, 2018 and the effective date of such transition is 1st April, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder (collectively referred to as "Previous GAAP").

Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Previous GAAP to Ind AS of shareholders' equity as at 31st March, 2018 and 1st April, 2017 and of the comprehensive income for the year ended 31st March 2018. Refer Note 2.22 for the details of first-time adoption exemptions availed by the Company and Note 37 for Reconciliation of Equity and Total Comprehensive Income for numbers reported under Previous GAAP to Ind AS.

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

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in 2.23 Critical accounting judgement and key sources of estimation uncertainty.

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

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

The accounting policies for specific financial report items are disclosed in the respective notes. Other significant accounting policies and details of critical accounting assumptions and estimates are set out below.

2.2 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Operations is recognized in the Statement of Profit and Loss on an accrual basis as stated herein below:

- (a) Income for financial assets other than those financial assets classified as at Fair value through profit and loss ("FVTPL") is recognized based on the effective interest rate method. Income from Credit Impaired Financial Assets is recognized on net basis i.e. after considering Impairment Loss Allowance.
- (b) Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.
- (c) Interest income on fixed deposits/margin money/pass through certificates is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (d) Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished or the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.
- (e) Referral income and others income is recognized when it becomes due under the term of relevant mutually agreed arrangement.
- (f) Income from dividend is recognized when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.
- (g) Revenue from sale of power is recognised to the extent of the Company's share of income of the jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.
- (h) In case of assignment transactions, as the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is recorded as 'Interest retained on pools assigned' with corresponding gain recognized in the Statement of profit and loss.

2.3 Financial Instruments

2.3.1 Recognition of Financial Instruments:

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

2.3.2 Initial Measurement of Financial Instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

2.3.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

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

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

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

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

Financial Assets at Fair Value through Profit or Loss (FVTPL):

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

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

Effective Interest Rate (EIR) Method:

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

Impairment of Financial Assets:

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

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

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information,

that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In case of debt instruments at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in other comprehensive income with a corresponding effect to the statement of profit and loss but is not reduced from the carrying amount of the financial asset in the balance sheet; so the financial asset continues to be presented in the balance sheet at its fair value.

No Expected credit losses is recognised on equity investments.

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

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

Derecognition of Financial Assets:

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

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

a) for financial assets measured at amortised cost, the gain or loss is recognized in the statement of profit and loss.

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

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

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

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

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

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

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

(B) Financial Liabilities and Equity Instruments:

Equity Instruments:

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial Liabilities:

Financial Liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial Guarantee Contracts:

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

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

Derecognition of financial liabilities:

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

Fair value:

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

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

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

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

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

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

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

2.4 Leasing

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

The Company as lessor

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

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

For the revenue recognition policy on Lease Contracts, refer note 2.2.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.6 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.5 Foreign Currency Transactions

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

- Initial recognition of all transactions :
Recorded at the rates of exchange prevailing at the dates of the respective transactions.

- Conversion :

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date.

Non-monetary items (carried at fair value) as on reporting date are restated using the exchange rate prevailing at the date when the fair value was determined. Translation differences on such items are reported as part of the fair value gain or loss on such items.

For non-monetary items (carried at historical cost) as on reporting date restatement is not required

Foreign Exchange Gains and Losses:

Financial Assets:

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

- For monetary financial assets measured at amortised cost, FVTOCI or FVTPL and non-monetary financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Foreign currency changes for non-monetary financial assets measured at FVTOCI are recognised in other comprehensive income.

Financial Liabilities:

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

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

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

2.6 Borrowing cost

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

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

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

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

2.7 Employee Benefits

(A) Retirement benefit costs and other termination benefits

Defined Contribution Plans:

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

Defined Benefit Plans:

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

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

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

- re-measurement

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

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

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

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

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

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

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

2.8 Taxation

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

Current tax

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

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the

carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

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

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

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

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

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

Current and deferred tax for the year

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

2.9 Property, Plant and Equipment

Property, plant and equipment shown in the balance sheet are consists of assets used in operations. Assets used in operations are those used in the provision of services or for administrative purposes, and include assets leased by the Company as lessor under operating leases.

a) Initial and subsequent recognition

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

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

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

b) De-recognition

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

c) Depreciation

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

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

Average useful life of the assets determined is as under:

Operating lease Assets

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

Own Use Assets

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

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

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

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

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

2.10 Intangible Assets

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

The following useful lives are used in the calculation of amortisation.

Software: 5 years*

*Software includes license amortized over license life or 5 years whichever is earlier.

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

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

2.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is

not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

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

2.12 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

Contingent Liabilities

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

Contingent Assets

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

2.13 Cash and cash equivalents

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

2.14 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision maker. The Chief Operating decision maker assess the financial performance and position of the Company and makes strategic decisions.

As the Company is primarily engaged in providing asset finance to customers in India, there are no separate reportable segments as per 'Ind AS 108'.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding

equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.16 Debt Redemption Reserve (“DRR”)

As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act, 2013 in case of NBFC registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required to be created in the case of privately placed debentures, however in case of public issue of Non-Convertible debentures (NCD) ‘the adequacy’ of DRR will be 25% of the value of debentures issued through public issue.

However, as a matter of prudence, the Company, as per the management’s discretion, created DRR for redemption of privately placed subordinated debentures / loans qualifying for Tier I / Tier II Capital on a straight line basis over the tenure of the respective debenture / loans till 31st March, 2015. Thereafter from 1st April, 2015 in accordance with the aforesaid applicable rules, the Company has created DRR only for public issue of NCD’s.

2.17 Assets held for sale

Repossessed assets and assets acquired in satisfaction of debt are classified as held for sale if their carrying amount are recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets are available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. These assets are disclosed as part of ‘other non-financial assets’ and are carried at the lower of their carrying amount and fair value less costs to sell.

2.18 Offsetting Financial Instruments

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

2.19 Derivative financial instruments

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

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in

which event the timing of the recognition in statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.20 Embedded derivatives

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

2.21 Hedge Accounting

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

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

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of 'cash flow hedge'. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss, and is included in the 'finance cost' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the periods when the hedged item affects statement of profit and loss, in the same line as the recognised hedged item.

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

2.22 First Time Policy Choices

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2017 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by

reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below:

- De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

- Classification of financial instruments

The Company has determined the classification of instruments in amortised cost, FVTOCI and FVTPL based on the facts and circumstances that existed as of the transition date.

- Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

- Deemed cost for property, plant and equipment and intangible assets

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

- Determining whether an arrangement contains a lease

The Company has applied Appendix C of IndAS 17 "Determining whether an Arrangement contains a lease" to determine whether an arrangement existing at the date of transition date contains a lease on the basis of facts and circumstances existed at that date.

- Equity investments at FVTPL

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

2.23. Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Expected credit loss on loans and advances

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

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

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

- Business Model Assessment

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

- Hedge Designation

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

- Provisions other than expected credit loss on loans and advances

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

- Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the Company engages third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements, which involve various judgements and assumptions.

New standards and interpretations not yet adopted

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1 April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

Amendment to Ind AS 12 'Income Taxes':

The amendment clarifies that an entity shall recognize income tax consequences of dividends in statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

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

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1 April 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in statement of profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the

impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Ind AS 116 'Leases':

Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements.

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019****3. Cash and cash equivalents:****(₹ in Lakhs)**

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Cash in hand	307	635	742
Balances with Banks - in Current Account	21,317	1,894	6,441
Total	21,624	2,529	7,183

4. Other Bank Balances**(₹ in Lakhs)**

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Balance with Banks - in Fixed Deposit Accounts* (Including accrued interest for fixed deposits with maturity beyond twelve months.)	1,57,472	80,250	32,560
Total	1,57,472	80,250	32,560

* Includes balances with banks held as security against borrowings amounts to ₹ 35 lakhs (March 31st, 2018 : ₹ 33 lakhs, April 1st, 2017 : ₹ 33 lakhs), margin against Letter of credit/Bank guarantee amounting to ₹ 1,20,110 lakhs (March 31st, 2018 : ₹ 52,951 lakhs, April 1st, 2017: ₹ 14,074 lakhs) and cash collateral for securitisation of receivables amounting to ₹ 35,553 lakhs (March 31st, 2018 : ₹ 26,769 lakhs, April 1st, 2017: ₹ 18,352 lakhs).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

5. Derivative financial Instruments

(₹ in Lakhs)

Particulars	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I									
(i) Currency derivatives:									
-Spot and forwards	18,628	8	1,036	52,266	646	706	48,866	1,094	1,743
-Currency swaps	2,45,228	5,533	3,505	1,91,139	511	3,624	62,011	2,550	2,556
-Options purchased	-	-	-	15,214	2,407	-	25,002	3,612	-
Subtotal (i)	2,63,856	5,541	4,541	2,58,619	3,564	4,330	1,35,879	7,256	4,299
(ii) Interest rate derivatives									
-Forward Rate Agreements and Interest Rate Swaps	-	176	761	-	300	65	-	150	23
Subtotal(ii)	-	176	761	-	300	65	-	150	23
Total Derivative Financial Instruments(i)+(ii)	2,63,856	5,717	5,302	2,58,619	3,864	4,395	1,35,879	7,406	4,322
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging:	-	-	-	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:									
- Currency derivatives	4,179	1	105	-	-	-	-	-	-
- Interest rate derivatives	-	-	538	-	-	-	-	-	-
Subtotal (ii)	4,179	1	643	-	-	-	-	-	-
Undesignated Derivatives (iii) *	2,59,677	5,716	4,659	2,58,619	3,864	4,395	1,35,879	7,406	4,322
Total Derivative Financial Instruments (i)+(ii)+(iii)	2,63,856	5,717	5,302	2,58,619	3,864	4,395	1,35,879	7,406	4,322

The Company's risk management strategy and how it is applied to manage risk are explained in Note 39.

* Under Ind AS 109, a hedging relationship only qualifies for hedge accounting if a number of restrictive criteria are satisfied, including appropriate designation and documentation of effectiveness at inception of the hedge. A hedging relationship will only qualify for hedge accounting at the date of adoption (being April 1st, 2018) if the hedging relationship has been fully designated and documented as effective in accordance with Ind AS 109 on or before the date of adoption and is of a type that qualifies for hedge accounting under Ind AS 109. Designation of a hedging relationship cannot be made retrospectively. Hence, all derivatives entered prior to April 1st, 2018 has been classified as undesignated derivative.

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019**

5.1 The following table details the derivative financial instruments as held for hedging and risk management purpose (cash flow hedging) outstanding at the end of the reporting period

Outstanding Contracts	Notional amounts	Timing				Average Exchange Rate #
	(₹ in lakhs)					
	As at March 31st, 2019	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	
Spot and forwards - USD	4,179	720	1,983	426	1,050	72.90

Average exchange rate includes forward premium charge.

Spots and Forwards

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward contract match that of the foreign currency liabilities (notional amount, repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward contracts are identical to the hedged risk components.

Interest Rate Swaps

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

6. Receivables:

(i) Trade Receivables #

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
(a) Unsecured considered good	10,098	11,284	5,579
Less: Allowance for impairment loss allowance	393	-	-
	9,705	11,284	5,579
(b) Credit impaired	11,985	9,433	11,038
Less: Allowance for impairment loss allowance	11,026	9,433	11,038
	959	-	-
Total	10,664	11,284	5,579

Trade receivables include amount due in respect of operating leases only

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

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

Particulars	As at March 31st, 2019	As at March 31st, 2018
Balance at the beginning of the year	9,433	11,038
Charge in Statement of Profit and Loss	3,335	1,118
Utilized during the year	(1,349)	(2,723)
Balance at the end of the year	11,419	9,433

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

Particulars	As at March 31st, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	10,098	393	9,705
Overdue between three to six months	202	186	16
Overdue between six months to one year	827	761	66
More than 1 year overdue	10,956	10,079	877
	22,083	11,419	10,664

Particulars	As at March 31st, 2018		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	11,284	-	11,284
Overdue between three to six months	6	6	-
Overdue between six months to one year	58	58	-
More than 1 year overdue	9,369	9,369	-
	20,717	9,433	11,284

Particulars	As at April 1st, 2017		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	5,062	-	5,062
Overdue between three to six months	517	-	517
Overdue between six months to one year	7	7	-
More than 1 year overdue	11,031	11,031	-
	16,617	11,038	5,579

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity is ₹ Nil (Previous year: ₹ Nil).

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

7. Loans

(₹ in Lakhs)

Particulars	As at March 31st, 2019						As at March 31st, 2018						As at April 1st, 2017					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)	
Loans (A)																		
(i) Term Loans	15,51,451	2,52,621	40,008	-	2,92,629	18,44,080	12,57,767	4,79,162	35,571	-	5,14,733	17,72,500	8,98,154	3,67,836	32,039	-	3,99,875	12,98,029
(ii) Leasing (Refer note 7.1)	75,381	-	-	-	-	75,381	43,613	-	-	-	-	43,613	895	-	-	-	-	895
Total (A) Gross	16,26,832	2,52,621	40,008	-	2,92,629	19,19,461	13,01,380	4,79,162	35,571	-	5,14,733	18,16,113	8,99,049	3,67,836	32,039	-	3,99,875	12,98,924
Less: Impairment loss allowance	57,974	-	-	-	-	57,974	55,427	-	-	-	-	55,427	54,206	-	-	-	-	54,206
Total (A) Net	15,68,858	2,52,621	40,008	-	2,92,629	18,61,487	12,45,953	4,79,162	35,571	-	5,14,733	17,60,686	8,44,843	3,67,836	32,039	-	3,99,875	12,44,718
(B)																		
(i) Secured by tangible assets	15,33,301	2,52,621	40,008	-	2,92,629	18,25,930	12,61,045	4,79,162	35,571	-	5,14,733	17,75,778	8,99,049	3,67,836	32,039	-	3,99,875	12,98,924
(ii) Unsecured #	93,531	-	-	-	-	93,531	40,335	-	-	-	-	40,335	-	-	-	-	-	-
Total (B) Gross	16,26,832	2,52,621	40,008	-	2,92,629	19,19,461	13,01,380	4,79,162	35,571	-	5,14,733	18,16,113	8,99,049	3,67,836	32,039	-	3,99,875	12,98,924
Less: Impairment loss allowance	57,974	-	-	-	-	57,974	55,427	-	-	-	-	55,427	54,206	-	-	-	-	54,206
Total (B) Net	15,68,858	2,52,621	40,008	-	2,92,629	18,61,487	12,45,953	4,79,162	35,571	-	5,14,733	17,60,686	8,44,843	3,67,836	32,039	-	3,99,875	12,44,718
(C)																		
In India																		
(i) Public Sector	1,940	-	-	-	-	1,940	19	-	-	-	-	19	1,383	-	-	-	-	1,383
(ii) Others	16,24,892	2,52,621	40,008	-	2,92,629	19,17,521	13,01,361	4,79,162	35,571	-	5,14,733	18,16,094	8,97,666	3,67,836	32,039	-	3,99,875	12,97,541
Total (C) Gross	16,26,832	2,52,621	40,008	-	2,92,629	19,19,461	13,01,380	4,79,162	35,571	-	5,14,733	18,16,113	8,99,049	3,67,836	32,039	-	3,99,875	12,98,924
Less: Impairment loss allowance	57,974	-	-	-	-	57,974	55,427	-	-	-	-	55,427	54,206	-	-	-	-	54,206
Total (C) Net	15,68,858	2,52,621	40,008	-	2,92,629	18,61,487	12,45,953	4,79,162	35,571	-	5,14,733	17,60,686	8,44,843	3,67,836	32,039	-	3,99,875	12,44,718

Note:

a) Loans are secured by underlying hypothecated assets/receivables/immovable properties and in certain cases, are additionally secured by pledge of equity shares of the borrowers by way of collateral security. Securities, created / to be created by the borrowers, against loan assets are based on valuation of the underlying assets, where applicable, carried out by an external valuer and relied upon by us.

Includes unsecured loans amounting to ₹ 14,676 lakhs for which security has been created/perfected subsequent to March 31st, 2019 and unsecured loan amounting to ₹7,881 lakhs for which security creation is in the process.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

7. Loans (continued)

i. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

(₹ in Lakhs)

	As at March 31st, 2019				As at March 31st, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	13,17,105	3,77,857	85,580	17,80,542	8,91,391	2,95,797	79,697	12,66,885
New assets originated or purchased	12,05,234	60,004	20,055	12,85,293	13,29,362	1,07,779	3,501	14,40,642
Assets derecognised or repaid (excluding write offs) #	(10,50,039)	(97,597)	(11,681)	(11,59,317)	(7,59,339)	(1,53,976)	(7,823)	(9,21,138)
Transfers to Stage 1	1,92,000	(1,81,682)	(10,318)	-	89,572	(83,719)	(5,853)	-
Transfers to Stage 2	(1,28,098)	1,28,249	(151)	-	(2,06,342)	2,17,857	(11,515)	-
Transfers to Stage 3	(51,376)	(58,946)	1,10,322	-	(27,539)	(5,881)	33,420	-
Amounts written off	-	-	(27,065)	(27,065)	-	-	(5,847)	(5,847)
Gross carrying amount closing balance	14,84,827	2,27,885	1,66,742	18,79,453	13,17,105	3,77,857	85,580	17,80,542

ii. Reconciliation of ECL balance is given below: *

(₹ in Lakhs)

	As at 31 March, 2019				As at 31 March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	13,865	11,063	35,115	60,043	9,151	11,398	38,640	59,189
New assets originated or purchased	6,403	5,478	3,327	15,208	10,140	3,335	1,208	14,683
Assets derecognised or repaid (excluding write offs) #	(6,323)	(2,308)	(10,268)	(18,899)	3,261	(4,273)	(4,514)	(5,526)
Transfers to Stage 1	613	(4,845)	(4,803)	(9,035)	351	(3,600)	(2,454)	(5,703)
Transfers to Stage 2	(1,240)	5,819	(63)	4,516	(1,583)	4,867	(1,399)	1,885
Transfers to Stage 3	(692)	(2,142)	13,227	10,393	(7,455)	(664)	4,293	(3,826)
Amounts written off	-	-	(631)	(631)	-	-	(659)	(659)
ECL allowance - closing balance	12,626	13,065	35,904	61,595	13,865.48	11,062.96	35,115.27	60,043

* Includes ECL allowance of ₹ 540 Lakhs (March 31st, 2018 ₹ 497 Lakhs, April 1st, 2017 ₹ 127 Lakhs) on off balance sheet exposure.

* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 3,621 lakhs (March 31st, 2018 ₹ 4,616 lakhs, April 1st, 2017 ₹ 4,983 lakhs).

Represents balancing figure.

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ 6,195 lakhs (Previous year: ₹ 5,847 lakhs).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by an change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the the borrowers.

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019****7.1 In the capacity of lessor (Finance Lease)**

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

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

Gross Investments			(₹ in Lakhs)
Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
i. not later than one year;	28,152	14,234	430
ii. later than one year and not later than five years;	63,388	39,287	631
iii. later than five years;	4	47	-
Total	91,544	53,568	1,061

Unearned finance Income			(₹ in Lakhs)
Particulars	As at March 31st, 2019	As at March 31st, 2018	As at 1st April, 2017
i. not later than one year;	7,782	4,317	98
ii. later than one year and not later than five years;	8,381	5,636	58
iii. later than five years;	-	2	-
Total	16,163	9,955	156

Minimum lease payments			(₹ in Lakhs)
Particulars	As at March 31st, 2019	As at March 31st, 2018	As at 1st April, 2017
i. not later than one year;	20,370	9,918	335
ii. later than one year and not later than five years;	55,007	33,650	560
iii. later than five years;	4	45	-
Total	75,381	43,613	895

8. Investments

(₹ in Lakhs)

Particulars	As at March 31st, 2019							As at March 31st, 2018							As at April 1st, 2017						
	Amortised cost	At Fair Value				Others	TOTAL	Amortised cost	At Fair Value				Others	TOTAL	Amortised cost	At Fair Value				Others	TOTAL
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	
Pass Through Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	215	-	-	-	-	-	215	
Debt Securities	-	-	10,023	-	10,023	-	10,023	-	-	10,229	-	10,229	-	10,229	-	-	8,883	-	8,883	-	8,883
Equity Instruments	-	-	318	-	318	-	318	-	-	965	-	965	-	965	-	-	1,332	-	1,332	-	1,332
Total Gross (A)	-	-	10,341	-	10,341	-	10,341	-	-	11,194	-	11,194	-	11,194	215	-	10,215	-	10,215	-	10,430
(i) Overseas Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	-	10,341	-	10,341	-	10,341	-	-	11,194	-	11,194	-	11,194	215	-	10,215	-	10,215	-	10,430
Total (B)	-	-	10,341	-	10,341	-	10,341	-	-	11,194	-	11,194	-	11,194	215	-	10,215	-	10,215	-	10,430
Less: Impairment loss allowance (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net D= (A)-(C)	-	-	10,341	-	10,341	-	10,341	-	-	11,194	-	11,194	-	11,194	215	-	10,215	-	10,215	-	10,430

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

9. Other Financial assets

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Security deposits			
To Related Parties	2,400	1,576	1,576
To Others	445	769	640
Interest accrued on fixed deposits	1,805	941	57
Rental accrued but not due	13,303	13,536	7,172
Less: Impairment loss allowance for rental accrued but not due [Refer note 6(i)(a)]	(490)	(113)	(1,169)
Interest retained on Pool assigned	10,750	12,690	7,796
Advance for Investments	-	-	1,200
Claims Receivable (measured at fair value through profit and loss)	21,022	24,030	24,030
Others	538	761	450
Total	49,773	54,190	41,752

10. Current tax assets (Net)

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Advance income tax [net of Income tax provision of ₹ Nil lakhs (March 31st, 2018 : ₹ 55,575 lakhs, April 1st, 2017: ₹ 50,867 lakhs)]	-	5,228	488
Total	-	5,228	488

11. Other Non Financial assets

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Capital advances	1,622	4,641	7,797
Assets held for sale *	49,680	58,559	80,592
Advance to Vendors	3,234	1,558	1,093
Advances to employees	371	675	581
Balances with Service Tax/VAT/GST authorities etc.	36,487	40,536	2,164
Other assets	229	328	281
Total	91,623	1,06,297	92,508

* Assets held for sale represents repossessed assets and assets/collaterals acquired in satisfaction of debt and held for disposal.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

12. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross block				Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2018	Additions	Disposals and other adjustments	As at March 31st, 2019	As at April 1st, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2019	As at March 31st, 2019
Assets for Own use										
Land- Freehold	4	-	-	4	-	-	-	-	-	4
Buildings	76	-	-	76	2	1	-	-	3	73
Furniture and fixtures	611	64	1	674	191	178	-	-	369	305
Plant and Machinery	22,474	-	-	22,474	1,023	1,023	-	-	2,046	20,428
Motor vehicles	224	77	-	301	17	58	-	-	75	226
Computers and office equipment	842	61	2	901	337	326	-	1	662	239
(A)	24,231	202	3	24,430	1,570	1,586	-	1	3,155	21,275
Assets given on operating lease										
Aircrafts	379	-	-	379	40	41	-	-	81	298
Earthmoving Equipment	1,21,537	42,999	681	1,63,855	17,152	24,275	12	263	41,176	1,22,679
Motor vehicles	81,603	21,048	2,510	1,00,141	13,494	16,483	21	893	29,105	71,036
Plant and Machinery	1,96,717	32,704	1,706	2,27,715	14,935	21,810	162	82	36,825	1,90,890
Wind Mills	28,448	-	18,480	9,968	2,189	956	-	1,232	1,913	8,055
Computers	38,016	5,901	1,536	42,381	4,852	9,138	166	809	13,347	29,034
Furniture and fixtures	8,200	2,207	305	10,102	1,024	1,181	2	76	2,131	7,971
(B)	4,74,900	1,04,859	25,218	5,54,541	53,686	73,884	363	3,355	1,24,578	4,29,963
Total for Tangible assets (C)=(A+B)	4,99,131	1,05,061	25,221	5,78,971	55,256	75,470	363	3,356	1,27,733	4,51,238

(₹ in Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment					Net book value
	As at April 1st, 2017	Additions	Disposals and other adjustments	As at March 31st, 2018	As at April 1st, 2017	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2018	As at March 31st, 2018
Assets for Own use										
Land- Freehold	4	-	-	4	-	-	-	-	-	4
Buildings	76	-	-	76	-	2	-	-	2	74
Furniture and fixtures	583	28	-	611	-	191	-	-	191	420
Plant and Machinery	22,474	-	-	22,474	-	1,023	-	-	1,023	21,451
Motor vehicles	167	102	45	224	-	49	-	32	17	207
Computers and office equipment	753	109	20	842	-	356	-	19	337	505
(A)	24,057	239	65	24,231	-	1,621	-	51	1,570	22,661
Assets given on operating lease										
Aircrafts	379	-	-	379	-	40	-	-	40	339
Earthmoving Equipment	58,541	63,976	980	1,21,537	-	17,023	435	306	17,152	1,04,385
Motor vehicles	43,838	39,894	2,129	81,603	-	13,481	402	389	13,494	68,109
Plant and Machinery	57,069	1,40,068	420	1,96,717	-	14,886	91	42	14,935	1,81,782
Wind Mills	28,448	-	-	28,448	-	2,189	-	-	2,189	26,259
Computers	12,545	27,002	1,531	38,016	-	5,223	96	467	4,852	33,164
Furniture and fixtures	6,429	2,043	272	8,200	-	1,037	20	33	1,024	7,176
(B)	2,07,249	2,72,983	5,332	4,74,900	-	53,879	1,044	1,237	53,686	4,21,214
Total for Tangible assets (C)=(A+B)	2,31,306	2,73,222	5,397	4,99,131	-	55,500	1,044	1,288	55,256	4,43,875

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

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019****12.1 LEASES****a) In the capacity of Lessee**

(i) The Company has taken certain office premises under cancellable operating lease arrangements which generally, range between 11 months to 9 years, and are usually renewable by mutual agreement. For the year ended March 31st, 2019, lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹ 1,433 Lakhs (March 31st, 2018 ₹ 901 Lakhs).

(ii) In addition to the above, the Company has also taken certain other office premises under non-cancellable operating lease arrangements which, generally range between 11 months to 6 years, and are usually renewable by mutual agreement. For the year ended March 31st, 2019 total lease payments aggregating to ₹ 115 Lakhs (March 31st, 2018 ₹ 91 Lakhs) in respect of such arrangements have been recognized in the Statement of Profit and Loss. The future minimum lease payments in respect of above non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Not later than one year	152	71	98
Later than one year but not later than five years	16	30	81
Later than five years	-	-	-
Total	168	101	179

None of the operating lease agreements entered into by the Company provides for any contingent rent payment.

b) In the capacity of Lessor (Operating lease)

The Company has given assets on operating lease arrangements (refer note 12) for periods ranging between 1 to 9 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the Statement of profit and loss for the year ended March 31st, 2019 is amounting to ₹ 895 lakhs (As at March 31st, 2018 : ₹ 2,326 lakhs).

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

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Not later than one year	1,28,158	1,14,167	47,930
Later than one year but not later than five years	2,42,918	2,58,765	1,20,762
Later than five years	2,843	5,345	10,612
Total	3,73,919	3,78,277	1,79,304

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

13. Other Intangible assets

(₹ in Lakhs)

Particulars	Gross block			Depreciation/amortisation/ impairment					Net book value	
	As at April 1st, 2018	Additions	Disposals and other adjustments	As at March 31st, 2019	As at April 1st, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2019	As at March 31st, 2019
Assets for Own use										
Softwares	1,635	97	-	1,732	1,030	364	-	-	1,394	338
(A)	1,635	97	-	1,732	1,030	364	-	-	1,394	338
Assets given on operating lease										
Softwares	854	-	7	847	344	234	79	7	650	197
(B)	854	-	7	847	344	234	79	7	650	197
Total for Other Intangible assets (A+B)	2,489	97	7	2,579	1,374	598	79	7	2,044	535

(₹ in Lakhs)

Particulars	Gross block			Depreciation/amortisation/ impairment					Net book value	
	As at April 1st, 2017	Additions	Disposals and other adjustments	As at March 31st, 2018	As at April 1st, 2017	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2018	As at March 31st, 2018
Assets for Own use										
Softwares	1,467	168	-	1,635	-	1,030	-	-	1,030	605
(A)	1,467	168	-	1,635	-	1,030	-	-	1,030	605
Assets given on operating lease										
Softwares	907	12	65	854	-	345	48	49	344	510
(B)	907	12	65	854	-	345	48	49	344	510
Total for Other Intangible assets (A+B)	2,374	180	65	2,489	-	1,375	48	49	1,374	1,115

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

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

14. Payables

I Trade Payables

(i) Dues of Micro Enterprises and Small Enterprises

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
d) The amount of interest accrued and remaining unpaid	-	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Total	-	-	-

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

(ii) total outstanding dues of creditors to other than micro enterprises and small enterprises

(₹ in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Due to others			
Acceptances	92,382	44,039	40,907
Other than Acceptance	77,385	1,31,938	63,574
Employees payables	1,059	1,816	1,509
Commission payable to Directors	611	527	298
Total	1,71,437	1,78,320	1,06,288

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

15. Debt Securities

(₹ in Lakhs)

Particulars	As at March 31st, 2019				As at March 31st, 2018				As at April 1st, 2017			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)	1	2	3	(4)=(1)+(2)+(3)	1	2	3	(4)=(1)+(2)+(3)
A. Secured												
Non-convertible debentures (Refer Note 15.1)	1,84,535	-	-	1,84,535	1,21,092	-	-	1,21,092	97,579	-	-	97,579
B. Unsecured												
Non-convertible debentures (Refer Note 15.2)	200	-	-	200	200	-	-	200	200	-	-	200
Total (A+B)	1,84,735	-	-	1,84,735	1,21,292	-	-	1,21,292	97,779	-	-	97,779
Debt securities in India	1,84,735	-	-	1,84,735	1,21,292	-	-	1,21,292	97,779	-	-	97,779
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,84,735	-	-	1,84,735	1,21,292	-	-	1,21,292	97,779	-	-	97,779

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

15.1 Secured Non-Convertible Debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in lakhs) ##			Interest rate (%)	Earliest redemption date
		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017		
18 January, 2018	10,00,000	1,000	1,000	-	9.00%	18 January, 2028
20 December, 2016	10,00,000	1,000	1,000	1,000	9.00%	20 December, 2026
26 March, 2018	10,00,000	1,650	1,650	-	9.00%	26 March, 2025
03 October, 2017	10,00,000	600	600	-	8.99%	03 October, 2024
15 September, 2017	10,00,000	2,350	2,350	-	8.50%	15 September, 2024
22 June, 2017	10,00,000	2,000	2,000	-	9.23%	22 June, 2024
20 June, 2014 \$\$	10,00,000	1,000	1,000	1,000	10.90%	20 June, 2024
13 June, 2014 \$\$	10,00,000	1,000	1,000	1,000	10.92%	13 June, 2024
31 May, 2017	10,00,000	1,000	1,000	-	9.32%	31 May, 2024
26 May, 2017	10,00,000	2,000	2,000	-	9.45%	26 May, 2024
30 January, 2019	10,00,000	30,000	-	-	10.50%	30 January, 2024
02 December, 2016	10,00,000	500	500	500	9.00%	02 December, 2023
04 April, 2018	10,00,000	1,400	-	-	8.30%	04 April, 2023
14 March, 2018	10,00,000	500	500	-	8.30%	14 March, 2023
06 October, 2016	10,00,000	500	500	500	9.95%	06 October, 2021
28 December, 2017	10,00,000	500	500	-	8.80%	28 December, 2020
16 October, 2017 \$\$	10,00,000	15,000	15,000	-	9.25%	16 October, 2020
22 August, 2016	10,00,000	-	1,000	1,000	*	22 August, 2018 *
26 June, 2014	10,00,000	-	-	2,000	11.15%	20 June 2017###
11 May, 2015 #	1,000	6,386	40,970	40,970	**	**
17 January, 2017 #	1,000	49,204	49,205	50,000	***	***
25 May 2018 \$	1,000	50,981	-	-	****	****
24 January 2019	1,000	17,072	-	-	*****	*****
Total		1,85,643	1,21,775	97,970		

* Contains put options exercisable on a quarterly basis having rate of interest March 31st, 2018: 10%, April 1st, 2017: 9.5%.

** The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 3 - 7 Years having rate of interest ranging from 9.75% to 10.50%.

*** The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 3 - 5 Years having rate of interest ranging from 8.90% to 9.76%.

**** The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 1 - 10 Years having rate of interest ranging from 8.50% to 9.60%.

***** The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 1 - 5 Years having rate of interest ranging from 9.75% to 10.50%.

All the above debentures are redeemable at par except those marked ### which are redeemable at premium.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,805 lakhs (March 31st, 2018: ₹ 1,120 lakhs, April 1st, 2017 : ₹ 1,401 lakhs).

Security:

\$\$ The Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at West Bengal and specific receivables/ assets of the Company.

The public Issue of Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at Tamilnadu and specific receivables/ assets of the Company.

All the above non-convertible debentures except those marked #,\$\$ are secured by way of an exclusive first charge on the specific receivables / assets of the Company.

15.2 Unsecured non-convertible debentures

The following table sets forth, the detail of the unsecured non-convertible debentures outstanding as at the Balance

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) *			Coupon rate (%)	Earliest redemption date
		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017		
28 October, 2016	10,00,000	100	100	100	9.95%	28 April, 2020
28 April, 2016	10,00,000	100	100	100	10.00%	28 April, 2020
Total		200	200	200		

The above debentures is redeemable at par in single instalment.

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 0.17 lakhs (March 31st, 2018: ₹ 0.34 lakhs, April 1st, 2017 : ₹ 0.50 lakhs).

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

16. Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at March 31st, 2019				As at March 31st, 2018				As at April 1st, 2017			
	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=3+2+1	1	2	3	4=3+2+1	1	2	3	4=3+2+1
SECURED												
(a) Term Loans (Refer note 16.1)												
(i) From Banks												
Rupee loans	1,66,598	-	-	1,66,598	1,16,016	-	-	1,16,016	96,655	-	-	96,655
Foreign currency loans	74,573	-	-	74,573	74,776	-	-	74,776	36,507	-	-	36,507
(ii) From Others												
Rupee loans	2,38,272	-	-	2,38,272	1,48,325	-	-	1,48,325	97,382	-	-	97,382
Foreign currency loans	1,17,637	-	-	1,17,637	95,146	-	-	95,146	35,300	-	-	35,300
(b) Working capital facilities (Refer note 16.2)												
(i) From Banks												
Rupee loans	9,30,692	-	-	9,30,692	8,57,374	-	-	8,57,374	6,77,450	-	-	6,77,450
Foreign currency loans	-	-	-	-	-	-	-	-	10,663	-	-	10,663
(c) Buyer's credit foreign currency loans (Refer note 16.3)	-	-	-	-	40,638	-	-	40,638	15,716	-	-	15,716
(d) Collateralised Borrowings (Refer Note 16.4)	1,34,608	-	-	1,34,608	79,111	-	-	79,111	-	-	-	-
UNSECURED												
(a) Term Loans (Refer note 16.5)												
(i) From Banks												
Rupee loans	-	-	-	-	40,000	-	-	40,000	-	-	-	-
Foreign currency loans	34,506	-	-	34,506	15,088	-	-	15,088	14,478	-	-	14,478
(b) Commercial Paper (Refer note 16.6)	31,748	-	-	31,748	1,84,125	-	-	1,84,125	48,587	-	-	48,587
Total	17,28,634	-	-	17,28,634	16,50,599	-	-	16,50,599	10,32,738	-	-	10,32,738
Borrowings in India	15,51,268	-	-	15,51,268	15,14,848	-	-	15,14,848	9,65,592	-	-	9,65,592
Borrowings outside India	1,77,366	-	-	1,77,366	1,35,751	-	-	1,35,751	67,146	-	-	67,146
Total	17,28,634	-	-	17,28,634	16,50,599	-	-	16,50,599	10,32,738	-	-	10,32,738

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

16.1 Secured Term Loans

Particulars	Outstanding (₹ in lakhs) As at March 31st, 2019	Repayment terms (₹ in lakhs)				Balance tenure (years)	Rate of Interest per annum	Nature of security
		Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks *	1,67,076	3,486	1,33,590	30,000	-	0 - 7	9%-13%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
Others - from financial institutions **	2,38,313	-	84,750	1,53,563	-	2 - 6	8%-11%	
Total	4,05,389	3,486	2,18,340	1,83,563	-			
Foreign currency term loans								
From banks #	76,065	-	-	76,065	-	4 - 5	5%-7%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
Others - from financial Institutions ##	1,18,268	-	-	1,09,624	8,644	1 - 9	3%-7%	
Total	1,94,333	-	-	1,85,689	8,644			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 478 lakhs.

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 41 lakhs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,492 lakhs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 630 lakhs.

Particulars	Outstanding (₹ in lakhs) As at March 31st, 2018	Repayment terms (₹ in lakhs)				Balance tenure (years)	Rate of Interest per annum	Nature of security
		Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks *	1,16,218	14,145	1,02,073	-	-	0 - 5	8%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
Others - from financial institutions **	1,48,350	3,850	48,250	96,250	-	0 - 5	8%-12%	
Total	2,64,568	17,995	1,50,323	96,250	-			
Foreign currency term loans								
From banks #	76,465	-	9,341	67,124	-	0 - 6	3%-7%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
Others - from financial Institutions ##	95,526	-	-	87,380	8,146	2 - 10	3%-7%	
Total	1,71,991	-	9,341	1,54,504	8,146			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 202 lakhs.

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 25 lakhs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,689 lakhs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 380 lakhs.

Particulars	Outstanding (₹ in lakhs) As at April 1st, 2017	Repayment terms (₹ in lakhs)				Balance tenure (years)	Rate of Interest per annum	Nature of security
		Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks *	96,914	25,703	71,211	-	-	0 - 5	9%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
Others - from financial institutions **	97,430	13,180	34,250	50,000	-	0 - 6	8%-12%	
Total	1,94,344	38,883	1,05,461	50,000	-			
Foreign currency term loans								
From banks #	36,894	-	11,283	25,611	-	0 - 2	3%-6%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
Others - from financial Institutions ##	35,360	-	-	35,360	-	3 - 8	3%-6%	
Total	72,254	-	11,283	60,971	-			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 259 lakhs.

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 48 lakhs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 387 lakhs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 60 lakhs.

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019****16.2 Secured working capital facilities**

Working capital facilities (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets covered by respective hypothecation loan agreements and lease agreements with customers and receivables arising therefrom ranking pari passu (excluding assets specifically charged to others). As per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature. As at 31st March, 2019 working capital facilities from banks include working capital demand loans aggregating ₹ 250,000 lakhs (31st March, 2018: ₹ 589,000 lakhs, 1st April, 2017: ₹ 384,500 lakhs). Rate of interest for working capital demand loans ranges from 8% to 10% per annum (31st March, 2018 : from 8% to 10% per annum, 1st April, 2017 : from 8% to 10% per annum) and for other working capital facilities (cash credits), ranges from 9% to 13% per annum (31st March, 2018 : from 9% to 13% per annum, 1st April, 2017 : from 9% to 14% per annum).

16.3 Secured buyer's credit foreign currency loans

Buyer's credit in the form of foreign currency loans from banks were secured by import documents covering title to capital goods and extension of pari passu charge for working capital facilities bearing interest rate ranging from 0% to 5% per annum (31st March, 2018 : 0% to 5% per annum, 1st April, 2017 : from 0% to 3% per annum).

16.4 Secured Collateralised Borrowings

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at March 31st, 2019	Monthly	Quarterly	Single instalment			
Collateralised Borrowings *	1,35,280	1,25,942	9,338	-	2-5	7%-11%	This represent amount received against securitisation of hypothecation loan, which does not qualify for derecognition, and assignment of future lease rentals.
Total	1,35,280	1,25,942	9,338	-			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 672 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at March 31st, 2018	Monthly	Quarterly	Single instalment			
Collateralised Borrowings *	79,140	79,140	-	-	3-5	7%-9%	This represent amount received against securitisation of hypothecation loan, which does not qualify for derecognition.
Total	79,140	79,140	-	-			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 29 lakhs.

16.5 Unsecured term loans

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2019	Quarterly	Half yearly	Single instalment		
Rupee term loan from bank	-	-	-	-	NA	NA
Foreign currency term loan from bank *	35,217	-	35,217	-	7-10	1%-2%
Total	35,217	-	35,217	-		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 711 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2018	Quarterly	Half yearly	Single instalment		
Rupee term loan from bank	40,000	-	-	40,000	0-1	8%-9%
Foreign currency term loan from bank *	15,340	-	15,340	-	0 - 9	1%-2%
Total	55,340	-	15,340	40,000		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 252 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at April 1st, 2017	Quarterly	Half yearly	Single instalment		
Rupee term loan from bank	-	-	-	-	-	-
Foreign currency term loan from bank *	14,760	-	14,760	-	10	1%-2%
Total	14,760	-	14,760	-		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 282 lakhs.

16.6 Commercial Paper

Rate of Interest ranges from 7% to 11% per annum (March 31st, 2018 : 6% to 9% per annum, April 1st, 2017 : 7% to 9% per annum). The maximum amount outstanding during the year was ₹ 445,900 lakhs (March 31st, 2018 : ₹ 441,500 Lakhs, April 1st, 2017 : ₹ 355,700 Lakhs).

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

17. Subordinated Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2019				As at March 31st, 2018				As at April 1st, 2017			
	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=3+2+1	1	2	3	4=3+2+1	1	2	3	4=3+2+1
UNSECURED												
- Rupee subordinated loans (Tier II Capital) (Refer Note 17.1)	4,979	-	-	4,979	6,636	-	-	6,636	24,954	-	-	24,954
Subordinated redeemable non convertible debentures (Tier II Capital) (Refer Note 17.2)	1,64,656	-	-	1,64,656	1,72,416	-	-	1,72,416	1,29,690	-	-	1,29,690
Subordinated perpetual debentures (Tier I Capital) (Refer Note 17.3)	13,745	-	-	13,745	3,749	-	-	3,749	3,749	-	-	3,749
Total	1,83,380	-	-	1,83,380	1,82,801	-	-	1,82,801	1,58,393	-	-	1,58,393
Subordinated Liabilities in India	1,83,380	-	-	1,83,380	1,82,801	-	-	1,82,801	1,58,393	-	-	1,58,393
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,83,380	-	-	1,83,380	1,82,801	-	-	1,82,801	1,58,393	-	-	1,58,393

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

17.1 Unsecured Rupee subordinated loans (Tier II Capital)

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2019	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) *	5,000	-	-	5,000	2 - 3	11%-12%
Total	5,000	-	-	5,000		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 21 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2018	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) *	6,667	-	1,667	5,000	0 - 4	11%-12%
Total	6,667	-	1,667	5,000		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 31 lakhs.

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Balance tenure (years)	Rate of Interest per annum
	As at April 1st, 2017	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) *	25,000	10,000	5,000#	10,000	0-5	11%-12%
Total	25,000	10,000	5,000	10,000		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 46 lakhs.

Payable after moratorium of 3 months.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019
17.2 Unsecured subordinated redeemable non-convertible debentures (Tier II Capital)

During the year ended March 31st, 2019, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 6,928 lakhs (March 31st, 2018 ₹ 60,699 lakhs). The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) #			Coupon rate (%)	Earliest redemption date
		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017		
24 January, 2019	1000	1,428	-	-	*	*
08 August, 2017	1000	56,199	56,199	-	*	*
10 October, 2018	1000000	500	-	-	10.25%	10 October, 2028
23 June, 2017	1000000	4,500	4,500	-	9.00%	23 June, 2027
30 March, 2017	1000000	5,000	5,000	5,000	10.25%	30 March, 2027
04 November, 2016	1000000	1,000	1,000	1,000	9.85%	04 November, 2026
07 October, 2016	1000000	4,000	4,000	4,000	10.75%	07 October, 2026
04 October, 2016	1000000	1,500	1,500	1,500	10.75%	04 October, 2026
24 August, 2016	1000000	3,000	3,000	3,000	9.50%	24 August, 2026
26 May, 2016	1000000	350	350	350	10.25%	26 May, 2026
25 May, 2016	1000000	2,000	2,000	2,000	10.75%	25 May, 2026
31 March, 2016	1000000	2,000	2,000	2,000	10.00%	31 March, 2026
18 March, 2016	1000000	500	500	500	10.70%	18 March, 2026
05 February, 2016	1000000	500	500	500	10.60%	05 February, 2026
20 January, 2016	1000000	500	500	500	10.60%	20 January, 2026
11 January, 2016	1000000	1,500	1,500	1,500	10.60%	11 January, 2026
24 September, 2015	1000000	500	500	500	10.50%	24 September, 2025
20 August, 2015	1000000	1,000	1,000	1,000	10.50%	20 August, 2025
13 August, 2015	1000000	15,000	15,000	15,000	10.75%	13 August, 2025
16 March, 2015	1000000	500	500	500	11.00%	16 March, 2025
01 March, 2017	1000000	500	500	500	10.40%	01 June, 2024
03 July, 2018	1000000	5,000	-	-	10.25%	03 May, 2024
25 October, 2016	1000000	5,000	5,000	5,000	9.80%	25 April, 2024
10 March, 2017	1000000	7,500	7,500	7,500	10.20%	10 March, 2024
07 May, 2013	1000000	2,080	2,080	2,080	11.25%	07 May, 2023
24 September, 2015	1000000	1,200	1,200	1,200	10.40%	24 April, 2023
29 March, 2016	1000000	200	200	200	10.70%	29 March, 2023
24 January, 2013	1000000	900	900	900	11.25%	24 January, 2023
17 December, 2012	1000000	1,700	1,700	1,700	11.50%	17 December, 2022
13 August, 2015	1000000	5,000	5,000	5,000	10.75%	13 August, 2022
09 March, 2017	1000000	500	500	500	10.18%	09 June, 2022
01 February, 2016	1000000	700	700	700	10.15%	01 May, 2021
24 September, 2015	1000000	2,360	2,360	2,360	10.30%	24 April, 2021
20 December, 2013	1000000	1,000	1,000	1,000	11.10%	20 December, 2020
27 September, 2013	1000000	1,600	1,600	1,600	11.00%	27 September, 2020
31 March, 2015	1000000	3,600	3,600	3,600	11.00%	30 June, 2020
29 June, 2013	1000000	1,000	1,000	1,000	10.85%	29 June, 2020
31 March, 2010	1000000	7,450	7,450	7,450	10.00%	31 March, 2020
19 March, 2010	1000000	2,550	2,550	2,550	10.00%	19 March, 2020
23 December, 2009	1000000	10,000	10,000	10,000	10.00%	23 December, 2019
29 November, 2013	1000000	1,000	1,000	1,000	11.00%	29 May, 2019
29 November, 2013	1000000	500	500	500	11.00%	29 May, 2019
24 July, 2013	1000000	1,500	1,500	1,500	10.75%	24 May, 2019
29 June, 2013	1000000	2,500	2,500	2,500	10.75%	29 April, 2019
28 March, 2013	1000000	-	2,500	2,500	11.50%	28 September, 2018
27 September, 2011	1000000	-	6,800	6,800	12.00%	27 September, 2018
08 February, 2013	1000000	-	5,000	5,000	11.60%	08 August, 2018
07 May, 2013	1000000	-	1,500	1,500	11.10%	07 August, 2018
31 March, 2011	1000000	-	-	5,000	11.50%	31 March, 2018
03 August, 2007	1000000	-	-	10,000	12.00%	03 August, 2017
30 December, 2011	1000000	-	-	2,500	12.60%	30 July, 2017
Total		1,66,817	1,75,689	1,32,490		

All the above debentures are redeemable at par in single instalment.

* The above debenture are allotted through public issue of Unsecured Subordinate Non Convertible Debenture and are redeemable over a tenure of 5 - 10 years having rate of interest ranging from 9.25% per annum to 11.00% per annum.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 2,828 lakhs (March 31st, 2018: ₹ 3,405 lakhs, April 1st, 2017 : ₹ 2,799 lakhs).

17.3 Unsecured subordinated perpetual debentures *

During the year ended 31st March, 2019, the Company raised Unsecured subordinated perpetual debentures amounting ₹ 10,000 lakhs (March 31st 2018 Nil). As at March 31st 2019, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 13,750 lakhs (March 31st 2018 : ₹ 3,750 lakhs, April 1st, 2017: ₹ 3,750 lakhs). These perpetual debentures have call option which is exercisable with prior approval of RBI. These perpetual debentures have a step up coupon rate of 100 basis points per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment.

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs)			Coupon rate (%)	Earliest call option date
		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017		
13 December 2018	10,00,000	10,000	-	-	11.00%	13 December 2028
30 December 2011	10,00,000	3,750	3,750	3,750	12.50%	30 December 2021
Total		13,750	3,750	3,750		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 5 lakhs (31st March, 2018: ₹ 0.70 lakhs, 1st April, 2017 : ₹ 0.90 lakhs).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

18. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Interest accrued but not due on borrowings	22,709	16,205	14,362
Trade deposits received	39,965	34,682	18,363
Advance From Operating Lease customer	1,027	1,271	958
Others	164	538	192
Total	63,865	52,696	33,875

19. Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Current Tax Liabilities [net of advance income tax of ₹ 70,114 lakhs (March 31st, 2018 : ₹ Nil lakhs, April 1st, 2017: ₹ Nil lakhs)]	93	-	-
Total	93	-	-

19.1 Income Tax Expense

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

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Profit before tax	45,673	44,225
Statutory Income Tax Rate	34.944%	34.608%
Expected income tax expense at statutory income tax rate	15,960	15,305
Adjustments for		
(i) Income exempt from tax/Items not deductible	1,146	(870)
(ii) Effect of different tax rate on certain items	(2,071)	-
(iii) Effect of change in substantially enacted tax rate	-	204
Total Tax Expense recognised in Statement of profit and loss	15,035	14,639

20. Provisions

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Provision for Gratuity	316	167	810
Provision for compensated absence	1,057	1,125	1,206
Total	1,373	1,292	2,016

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

21. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	Balance as at March 31st, 2018	Recognised/ (reversed) in statement of profit & loss	Recognised/ (reversed) in other comprehensive income	Reclassified to statement of profit & Loss/adjusted with current tax liabilities	Utilisation of MAT credit	Balance as at March 31st, 2019
Deferred Tax Liabilities on						
Property, plant and equipment and intangible assets	34,928	(195)	-	(3,573)	-	31,160
Financial assets and liabilities at fair value	(1,514)	1,484	1,973	(1,613)	-	330
Gross deferred tax liabilities	33,414	1,289	1,973	(5,186)	-	31,490
Deferred Tax asset on						
Financial assets and liabilities at amortised cost	11,612	1,278	-	-	-	12,890
Other timing differences	58	48	4	-	-	110
Gross deferred tax assets	11,670	1,326	4	-	-	13,000
Net deferred tax liabilities before MAT Credit Entitlement	21,744	(37)	1,969	(5,186)	-	18,490
Less: Minimum alternate tax (MAT) Credit Entitlement	3,899	-	-	-	(3,899)	-
Deferred tax liabilities (Net)	17,845	(37)	1,969	(5,186)	3,899	18,490

21. Deferred Tax Liabilities (Net) (continued)

(₹ in Lakhs)

Particulars	Balance as at April 1st, 2017	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to statement of profit & Loss	Utilisation of MAT credit	Balance as at March 31st, 2018
Deferred Tax Liabilities on						
Property, Plant and equipment and intangible assets	29,028	5,900	-	-	-	34,928
Financial assets and liabilities at fair value	409	(1,807)	1,613	(1,729)	-	(1,514)
Gross deferred tax liabilities	29,437	4,093	1,613	(1,729)	-	33,414
Deferred Tax asset on						
Financial assets and liabilities at amortised cost	15,354	(3,742)	-	-	-	11,612
Unabsorbed Depreciation carried forward	1,524	(1,524)	-	-	-	-
Other Timing Differences	280	56	(278)	-	-	58
Gross deferred tax assets	17,158	(5,210)	(278)	-	-	11,670
Net deferred tax liabilities before MAT Credit Entitlement	12,279	9,303	1,891	(1,729)	-	21,744
Less: Minimum alternate tax (MAT) Credit Entitlement	4,599	-	-	-	(700)	3,899
Deferred tax liabilities (Net)	7,680	9,303	1,891	(1,729)	700	17,845

22. Other Non-financial liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Pre-received amount for lease contracts	11,514	11,136	3,243
Statutory remittances	1,217	1,003	469
Other liabilities	-	-	227
Total	12,731	12,139	3,939

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

23. Share Capital

(₹ in lakhs, except number of shares)

Particulars	(₹ in lakhs, except number of shares)		
	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Authorised			
Equity shares, ₹ 10/- par value 500,000,000 (31st March, 2018 : 500,000,000, 1st April, 2017: 75,000,000) Equity shares	50,000	50,000	7,500
Preference shares, ₹ 100/- par value 50,000,000 (31st March, 2018 : 50,000,000, 1st April, 2017: Nil) Preference shares	50,000	50,000	-
	1,00,000	1,00,000	7,500
Issued, subscribed and fully paid-up			
Equity shares, ₹ 10/- par value 59,660,000 (31st March, 2018 : 59,660,000, 1st April, 2017: 59,660,000) Equity Shares	5,966	5,966	5,966
Total	5,966	5,966	5,966

23.1.1 Reconciliation of Equity Shares

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

Equity Shares	As at March 31st, 2019		As at March 31st, 2018		As at April 1st, 2017	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	596,60,000	5,966	596,60,000	5,966	596,60,000	5,966
Add: Issued as fully paid during the year	-	-	-	-	-	-
At the end of the period/year	596,60,000	5,966	596,60,000	5,966	596,60,000	5,966

23.1.2 Terms/rights attached to Equity and Preference Shares

The Company's authorized capital consists of two classes of shares referred to as Equity Shares and Preference shares having par value of ₹ 10/- each and ₹ 100/- each, respectively. Each holder of Equity Shares is entitled to one vote per share. Preference shareholders have a preferential right over equity shareholders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company till date.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

23.1.3 The details of shareholders holding more than 5% shares are set out as below:

Class of shares and names of shareholders	As at March 31st, 2019		As at March 31st, 2018		As at April 1st, 2017	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity shares, ₹ 10/- par value						
Srei Infrastructure Finance Limited (Holding Company) *	596,60,000	100	596,60,000	100	596,60,000	100

* Including nominee shareholders

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

24. Other Equity

(₹ in Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018
Capital reserve		
Opening balance	31	31
Add / Less: Transferred from / to Surplus	-	-
Closing balance	31	31
Securities premium		
Opening balance	1,03,980	1,03,980
Add: Received on issue of equity shares for the year	-	-
Closing balance	1,03,980	1,03,980
Debt redemption reserve		
Opening balance	58,600	58,600
Add: Transferred from Surplus in the Statement of Profit and Loss for the year	9,133	7,684
Less: Transfer to Surplus in the Statement of Profit and Loss for the year on Redemption	7,171	7,684
Closing balance	60,562	58,600
Fair valuation of loans through other comprehensive income		
Opening balance	3,003	3,258
Add: Addition during the year	4,092	3,003
Less: Reclassified to statement of profit and loss	(3,003)	(3,258)
Closing balance	4,092	3,003
Cash flow hedge reserve		
Opening balance	-	-
Add: Addition during the year	(418)	-
Less: Utilised during the year	-	-
Closing balance	(418)	-
Special reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)		
Opening balance	33,576	28,306
Add: Transferred from Surplus in the Statement of Profit and Loss for the year	6,128	5,270 #
Closing balance	39,704	33,576
Income tax special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	13,557	10,558
Add: Transferred from Surplus in the Statement of Profit and Loss for the year	113	2,999
Closing balance	13,670	13,557
Surplus in the Statement of Profit and Loss		
Opening balance	40,420	18,575
Add: Other comprehensive income/(loss) transferred from/to Statement of Profit and Loss	(7)	528
Add: Profit after tax transferred from Statement of Profit and Loss	30,638	29,586
Amount available for appropriation	71,051	48,689
<u>Appropriations:</u>		
Less: Amount transferred to Special reserve	6,128	5,270
Less: Amount transferred to Income Tax special reserve	113	2,999
Less: Amount transferred to Debt redemption reserve	9,133	7,684
Add: Amount transferred from Debt redemption reserve on Redemption	7,171	7,684
Closing balance	62,848	40,420
Total	2,84,468	2,53,167

The amount transferred to statutory reserves has been calculated in accordance with the provision of Section 45-IC of the RBI Act, 1934 which requires transfer of 20% of the profit after tax to the statutory reserves. However, the profit for previous year has not been restated for the impact of Ind AS readjustment items and the amount transferred to statutory reserve has been computed on the profit as per previous GAAP.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

24. Other Equity (continued)

Capital Reserve:

Persuant to the scheme of arrangement ('the Scheme) between BNP Paribas Lease Group (BPLG) and Srei Infrastructure Finance Limited (SIFL), approved by shareholders and sanctioned by Hon'ble High Court of Calcutta vide order of 28th January 2008, the surplus, being the difference between the net book value of assets and liabilities transferred and considerations has been accounted for as capital reserve in the books of the company.

Securities Premium:

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

Debt Redemption Reserve:

In accordance with Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act, 2013 the Company has created DRR only for redemption of public issue of Non-Convertible debentures (NCDs).

Cash Flow Hedge Reserve:

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

Fair valuation of loans through other comprehensive income:

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

Special Reserve:

Transfer of 20% of the profit after tax to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934.

Income Tax Special Reserve:

This reserve has been created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961.

Retained Earnings:

This reserve represents the cumulative profits of the Company.

SREI EQUIPMENT FINANCE LIMITED

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

25. Interest Income

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019				For the year ended March 31st, 2018			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans*	17,607	2,51,738	337	2,69,682	38,479	1,79,065	38	2,17,582
Interest on fixed deposits with banks	-	8,320	-	8,320	-	3,141	-	3,141
Total	17,607	2,60,058	337	2,78,002	38,479	1,82,206	38	2,20,723

* Includes finance lease income amounting to ₹ 8,679 Lakhs (Previous year ₹ 1,339 Lakhs)

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

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019			For the year ended March 31st, 2018		
	Net Gain	Net Loss	Total	Net Gain	Net Loss	Total
Net gain/ (loss) on financial instruments at fair value through profit or loss						
(i) Trading Portfolio						
- Derivatives *	2,700	-	2,700	-	(3,630)	(3,630)
(ii) Others						
- Investments	-	(392)	(392)	461	-	461
- Loan	3,277	-	3,277	420	-	420
- Claims Receivable	-	(3,008)	(3,008)	-	-	-
Total Net gain/(loss) on fair value changes	5,977	(3,400)	2,577	881	(3,630)	(2,749)
Fair Value changes:						
-Realised	-	(146)	(146)	-	(207)	(207)
-Unrealised	2,723	-	2,723	-	(2,542)	(2,542)
Total Net gain/(loss) on fair value changes	2,723	(146)	2,577	-	(2,749)	(2,749)

* Derivative contracts have been entered into by the company to manage foreign currency risk and interest rate risk arising from underlying foreign currency financial liabilities and not for trading purpose. Also refer Note 39 (C) (a) (ii) and (iii) for Company's risk management objectives.

Under Ind AS 109, a hedging relationship only qualifies for hedge accounting if a number of restrictive criteria are satisfied, including appropriate designation and documentation of effectiveness at inception of the hedge. A hedging relationship will only qualify for hedge accounting at the date of adoption (being April 1st, 2018) if the hedging relationship has been fully designated and documented as effective in accordance with Ind AS 109 on or before the date of adoption and is of a type that qualifies for hedge accounting under Ind AS 109. Designation of a hedging relationship cannot be made retrospectively. Hence, all derivatives entered prior to 1st April 2018 has been classified as undesignated derivative.

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST,****27. Others****(₹ in Lakhs)**

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Liabilities no longer required written back	5,110	3,024
Sale of Power	2,030	2,106
Referral Income	5,947	8,781
Others	3,821	2,593
Total	16,908	16,504

28. Other Income**(₹ in Lakhs)**

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Net gain or (loss) on foreign currency transaction and translation (other than considered as finance cost)	(2,921)	(2,443)
Net gain/(loss) on derecognition of property, plant and equipment	(813)	(903)
Others	133	21
Total	(3,601)	(3,325)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

29. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019			For the year ended March 31st, 2018		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on borrowings	-	1,79,817	1,79,817	-	1,30,333	1,30,333
Interest on debt securities	-	14,634	14,634	-	11,394	11,394
Interest on subordinated liabilities	-	19,518	19,518	-	19,679	19,679
Other interest expense	-	892	892	-	804	804
Total	-	2,14,861	2,14,861	-	1,62,210	1,62,210

30. Impairment on financial instruments

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019			For the year ended March 31st, 2018		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	3,621	26,814	30,435	4,616	8,998	13,614
Total	3,621	26,814	30,435	4,616	8,998	13,614

31. Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Salaries and wages	18,755	18,007
Contribution to provident and other funds *	1,144	1,209
Staff welfare expenses	339	496
Total	20,238	19,712

* This includes amount expended under defined contribution plans of ₹ 956 Lakhs (Previous year ₹ 871 Lakhs).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

32. Other expenses (₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Rates & Taxes	146	256
Rent	1,548	992
Repairs and Maintenance - Machinery	2,447	2,119
- Others	1,317	1,259
Communication Costs	324	483
Printing and stationery	195	233
Travelling and conveyance	3,687	3,499
Advertisement and Subscription	505	411
Director's fees, allowances and expenses	33	26
Auditor's fees and expenses (refer note 32a)	229	200
Legal and Professional charges	5,851	5,774
Repossession Expenses	1,730	1,147
Corporate social responsibility expenses (refer note 32b)	525	399
Charity and donations	28	7
Electricity Charges	322	356
Conference and seminar	462	321
Insurance	257	208
Exchange Fluctuations (Net)	1	2
Other expenditure	755	1,155
Total	20,362	18,847

Note: 32a (₹ in Lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Audit Fees	96	60
Other Services :		
- Limited Review and Half Year Audit	47	41
- Audit and Certification Fees for Proposed IPO	34	48
- Certification and Others	41	41
Reimbursement of Expenses	11	10
Total	229	200

Note: 32b

(i) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 514 Lakhs (March 31st, 2018 : ₹ 398 Lakhs).

(ii) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 525 Lakhs has been paid in cash, as compared to ₹ 399 Lakhs for the year ended March 31st, 2018.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

33. EARNINGS PER SHARE

Particulars	For the year ended	
	March 31st, 2019	March 31st, 2018
Net Profit attributable to Equity Shareholders (₹ in lakhs)	30,638	29,586
Weighted average number of Equity Shares Basic (Nos.)	596,60,000	596,60,000
Weighted average number of Potential Equity Shares (Nos.)	-	-
Weighted average number of Equity Shares Diluted (Nos.)	596,60,000	596,60,000
Nominal Value of Equity per share (₹)	10	10
Basic and Diluted Earnings per share (₹)	51.35	49.59

34. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	(₹ in Lakhs)		
	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Contingent liabilities			
Claims against the company not acknowledged as debt			
Disputed demands *			
- Sales tax	42	204	204
- Service tax	1,828	3,484	3,557
- Value added tax (VAT)	1,493	970	1,273
- Income tax	5,587	5,300	5,300
(A)	8,950	9,958	10,334
Bank guarantees #@	53,625	50,669	10,808
(B)	53,625	50,669	10,808
Total (A+B)	62,575	60,627	21,142
Commitments			
Estimated amount of capital contracts remaining to be executed [Net of advances of ₹ 1,622 lakhs (March 31st, 2018: ₹ 4,641 lakhs, April 1st, 2017: ₹ 7,797 lakhs)]	3,239	13,044	35,934

* The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

Excludes ₹ 56 lakhs (March 31st, 2018 : ₹ 56 lakhs, April 1st, 2017: ₹ 56 lakhs) issued on behalf of the holding company against which the Company holds counter guarantee.

@ Includes ₹ 53,567 lakhs (March 31st, 2018 : ₹ 50,355 lakhs, April 1st, 2017: ₹ 10,410 lakhs) being the bank guarantee issued on behalf of the customer and other parties.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

35. Employee Benefits

Defined benefit plans

(A) Gratuity Fund :-

The Company makes periodic contributions to the Srei Equipment Finance Limited Employee Gratuity Fund, a funded defined benefit-plan for qualifying employees. The trustees of the gratuity scheme for the employees of the Company have entrusted the administration of the scheme to the Life Insurance Corporation of India (LIC). The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

Risk Management

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

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

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at March 31st,2019

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

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

(₹ in lakhs)

Description	Gratuity (Funded)			Compensated absence (Unfunded)		
	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended April 1st, 2017	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended April 1st, 2017
1. Change in the defined benefit obligation (DBO)						
Present value of obligation at the beginning of the year	1,171	1,540	1,347	697	749	650
Current Service Cost	177	284	229	65	191	196
Interest Cost	81	108	102	33	41	39
Past Service Costs - plan amendments	-	3	-	-	-	-
Acquisitions Cost/credit	-	94	-	-	-	-
Actuarial (gain)/loss - experience	19	50	(192)	291	439	124
Actuarial (gain)/loss - demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss - financial assumptions	13	(847)	126	6	(360)	47
Benefits paid	(197)	(61)	(72)	(519)	(363)	(307)
Present value of obligation at the end of the year	1,264	1,171	1,540	573	697	749
2. Change in plan assets						
Fair value of Plan Assets at the beginning of the year	1,004	731	678	-	-	-
Acquisitions adjustment	-	95	-	-	-	-
Interest income on plan assets	71	56	53	-	-	-
Contributions by the employer	50	178	70	-	-	-
Return on Plan assets greater/(lesser) than discount rate	22	5	1	-	-	-
Benefits paid	(198)	(61)	(72)	-	-	-
Fair value of Plan Assets at the end of the Year	949	1,004	730	-	-	-

Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is determined based on government bond rate

(₹ in lakhs)

Description	Gratuity (Funded)			Compensated absence (Unfunded)		
	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended April 1st, 2017	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended April 1st, 2017
3. Amount recognised in Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	949	1,004	730	-	-	-
Present Value of Obligation at the end of the Year	1,264	1,171	1,540	573	697	749
Funded status (surplus/(deficit))	(315)	(167)	(810)	(573)	(697)	(749)
Net defined benefit Asset/(Liabilities)	(315)	(167)	(810)	(573)	(697)	(749)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	Year ended March 31st, 2019	Year ended March 31st, 2018	Year ended March 31st, 2019	Year ended March 31st, 2018
4. Expenses recognised in the statement of profit and loss consists of:				
Employee benefits expenses:				
Current Service cost	177	284	65	191
Past Service Cost - plan amendments	-	6	-	-
Net Interest cost	11	51	33	41
Actuarial (Gain) / Loss due to DBO experience	-	-	291	439
Actuarial (Gain) / Loss due to DBO assumptions changes	-	-	6	(360)
Total [A]	188	341	395	311
Other Comprehensive Income				
Actuarial (Gain) / Loss due to DBO experience	19	50	-	-
Actuarial (Gain) / Loss due to DBO assumptions changes	14	(851)	-	-
Return on Plan assets (greater)/lesser than discount rate	(22)	(5)	-	-
Actuarial (Gains) / Losses recognized in OCI [B]	11	(806)	-	-
Adjustment for limit on net asset		-		
Expense recognised during the year [A+B]	199	(465)	395	311

The expense for the Defined Benefits (referred to in para 35.1 above) are included in the line item under 'Contribution to Provident and other Funds' in Note 31.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

35.2. Particulars in respect of post retirement defined benefit plans and long term employment benefits of the Company are as follows :-

(₹ in lakhs)

Description	Gratuity (Funded) % Invested			Compensated absence (Unfunded) % Invested		
	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
6. Investment Details of Plan Assets as at						
Schemes of insurance- conventional products	100.00%	100.00%	100.00%	0%	0%	0%
7. Assumptions						
Discount rate per annum	7.50%	7.60%	7.15%	7.50%	7.60%	7.15%
Salary escalation rate per annum	5.00%	5.00%	10.00%	5.00%	5.00%	10.00%
Method used	Projected Unit Credit Method			Projected Unit Credit Method		

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

35.4. Sensitivity Analysis

The sensitivity results below determine their individual impact on the plan's end of year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

	Year ended March 31st, 2019				Year ended March 31st, 2018				Year ended April 1st, 2017			
	Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)	
	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)
1. Discount Rate + 100 basis points	-9.70%	(122.93)	-9.80%	(56.35)	-10.00%	(113.75)	-5.00%	(37.84)	-12.00%	(188.14)	-9.00%	(70.26)
2. Discount Rate - 100 basis points	11.30%	142.89	11.50%	65.70	11.00%	132.84	6.00%	44.18	15.00%	225.43	11.00%	84.58
3. Salary Increase Rate + 1%	9.30%	117.82	11.60%	66.73	10.00%	114.73	6.00%	44.93	11.00%	174.65	11.00%	82.47
4. Salary Increase Rate – 1%	-8.50%	(107.19)	-10.10%	(58.13)	-9.00%	(101.80)	-5.00%	(38.19)	-10.00%	(155.76)	-9.00%	(70.24)

35.5. Maturity analysis of the defined benefit plans

(₹ in lakhs)

	Year ended March 31st, 2019		Year ended March 31st, 2018		Year ended April 1st, 2017	
	Gratuity (Funded)	Compensated absence (Unfunded)	Compensated absence (Unfunded)	Gratuity (Funded)	Gratuity (Funded)	Compensated absence (Unfunded)
1. Year 1	34.2	18.8	60.2	204.7	35.7	122.9
2. Year 2	47.9	22.9	60.7	112.7	55.4	74.0
3. Year 3	88.7	37.2	65.1	63.4	66.8	48.4
4. Year 4	111.0	42.0	91.1	45.0	66.3	30.7
5. Year 5	121.7	41.7	112.3	33.8	74.9	26.3
6. Next 5 Years	853.2	284.8	739.0	144.4	752.0	131.8

35.6 During the quarter ended March 31st, 2019, the Honourable Supreme Court in another case ruled that certain allowances are to be included in computing contributions to provident fund.

The Company based on legal advice has implemented the basis of computation in accordance with the Supreme Court order from March 1st, 2019.

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019****36. Related Party Disclosure****List of Related Parties**

Enterprises related to the Company	Nature of Relationship
Srei Infrastructure Finance Limited	Holding Company
Controlla Electrotech Private Limited	Fellow Subsidiary
Quippo Oil & Gas Infrastructure Limited (till March 30th, 2019)	Fellow Subsidiary
Quippo Energy Limited (till March 27th, 2019)	Fellow Subsidiary
Attivo Economic Zone (Mumbai) Private Limited (till September 28th, 2018)	Fellow Associate

Key Management Personnel (KMP)	
Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Sunil Kanoria	Vice Chairman
Mr. Devendra Kumar Vyas *	Managing Director
Mr. Manoj Kumar Beriwal	Chief Financial Officer
Mr. Naresh Mathur (till November 27th, 2017)	Company Secretary
Ms. Ritu Bhojak (with effect from November 27th, 2017)	Company Secretary
Ms. Ashwani Kumar (with effect from February 1st, 2019)	Independent Director
Mr. P. Kore IPE (till September 22nd, 2017)	Independent Director
Mr. Shyamalendu Chatterjee	Independent Director
Ms. Supriya Prakash Sen (with effect from September 9th, 2017)	Independent Director
Ms. Tamali Sengupta (till October 25th, 2017)	Independent Director
Mr. Suresh Kumar Jain (with effect from October 25th, 2017)	Independent Director

* Chief Executive Officer till 31st January 2019 and Managing Director with effect from 1st February 2019

Relative of Key Management Personnel (KMP)	Nature of Relationship
Manoj Kumar Beriwal - HUF	KMP is Karta

Enterprise over which relative of KMP has significance influence
India Power Corporation Limited (with effect from June 1st, 2017)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

36. Related Party Disclosure (continued)

Summary of Transactions/Balance Outstanding

(₹ in lakhs)

Name of the Related Party	Nature of relationship	Nature of transactions	For the year ended March 31st, 2019	Balance as at March 31st, 2019	Balance as at March 31st, 2018	For the year ended March 31st, 2018	Balance as at 1st April, 2017
Srei Infrastructure Finance Limited	Holding Company	Rent paid for leased premise	413	-	-	-	-
		Refund of Security Deposit paid for Leased Premises	1,576	-	-	-	-
		Security Deposit paid for Leased Premises	-	-	1,576	-	1,576
		Assignment of Loans	6,500	-	-	-	-
Quippo Energy Limited	Fellow Subsidiary (till March 27th, 2019)	Loan Given (Secured)	3,900	NA	-	-	-
		Interest Income on Loan Given	102	-	-	-	-
Quippo Oil and Gas Infrastructure Limited	Fellow Subsidiary (till March 30th, 2019)	Loan Given (Secured)	18,325	NA	1,190	1,200	-
		Interest Income on Loan Given	623	-	-	117	-
		Income from Assets given on Operating Lease	2,260	-	-	3,902	-
		Trade Receivables and rental accrued but not due	-	-	1,872	-	-
Mr. Hemant Kanoria	Chairman	Short term employee benefit	718	352	292	643	183
		Post employment benefit	39	-	-	36	-
Mr. Sunil Kanoria	Vice Chairman	Short term employee benefit	722	333	290	649	172
		Post employment benefit	39	-	-	36	-
Mr. Devendra Kumar Vyas *	Managing Director	Short term employee benefit	385#	24	22	309	20
		Post employment benefit	17#	-	-	16	-
		Rent paid for leased premise	10	-	-	10	-
		Loan Given	-	24	84	-	186
		Repayment of loan given	59	-	-	103	-
		Interest Income on Loan Given	6	-	-	11	-
Mr. Manoj Kumar Beriwala	Chief Financial Officer (with effect from November 3rd, 2016)	Short term employee benefit	76	5	8	73	6
		Post employment benefit	4	-	-	3	-
Mr. Naresh Mathur	Company Secretary (till November 27th, 2017)	Short term employee benefit	NA	NA	NA	16	2
		Post employment benefit	-	-	-	1	-
Ms. Ritu Bhojak	Company Secretary (with effect from November 27th, 2017)	Short term employee benefit	42	4	2	13	NA
		Post employment benefit	2	-	-	1	-
Mr. Shyamalendu Chatterjee	Independent Director	Sitting Fees	15	-	-	14	-
Ms. Supriya Prakash Sen	Independent Director (with effect from September 9th, 2017)	Sitting Fees	10	-	-	4	NA
Mr. Suresh Kumar Jain	Independent Director (with effect from October 25th, 2017)	Sitting Fees	5	-	-	1	NA
Mr. P. Kore IPE	Independent Director (till September 22nd, 2017)	Sitting Fees	NA	NA	NA	4	-
Mr Ashwani Kumar	Independent Director (with effect from February 1st, 2019)	Sitting Fees	2	-	NA	NA	NA
Ms. Tamali Sengupta	Independent Director (till October 25th, 2017)	Sitting Fees	NA	NA	NA	2	-
India Power Corporation Limited	Enterprise over which relative of KMP has significance influence (with effect from June 1st, 2017)	Income from Assets given on Operating Lease	1,665	-	-	2,368	-
		Trade receivables and income from assets given on operating lease accrued but not due	-	1,124	829	-	NA
		Rent paid for leased premise	-	-	-	23	-
Attivo Economic Zones (Mumbai) Private Limited	Associate of Holding Company (till September 28th, 2018)	Loan Given (Secured)	2,882	NA	7,388	-	-
		Interest Income on Loan Given	422	-	-	606	-
Controlla Electrotech Private Limited	Fellow Subsidiary	Rent paid for leased premise	156	-	-	-	-
		Security Deposit paid for Leased Premises	2,400	2,400	-	-	-
		Interest Received	120	-	-	-	-
Manoj Kumar Beriwala - HUF	KMP is Karta	Car Hire Charges	6	-	-	6	-

* Chief Executive Officer till January 31st, 2019 and Managing Director with effect from February 1st, 2019.

Includes short term employee benefit and post employment benefit after February 1st, 2019 amounting to ₹ 58 lakhs and ₹ 3 lakhs respectively.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

Note 37: First Time Adoption

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

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

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

(i) Estimates

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

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

(ii) Classification of Financial Assets

The classification of financial assets to be measured at amortized cost or at fair value through Profit and Loss is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

(iii) Fair value at Deemed Cost for items of Property, Plant and Equipment and Intangible asset

The Company has elected to use the carrying amount of items of Property, Plant and Equipment and Intangible asset under previous GAAP on the date of transition to Ind AS as deemed cost for Ind AS.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

Note 37: First Time Adoption (continued)

Reconciliation of Equity as previously reported under Previous GAAP to IND AS:

(₹ in Lakhs)

Particulars	Note	As at March 31st, 2018	As at April 1st, 2017
Equity as per Previous GAAP		2,78,042	2,52,040
Re-measurements on transition to Ind AS			
a. Interest income and expenses recognition using effective interest rate (EIR) on financial assets and liabilities at amortised cost	(i)	1,864	(374)
b. Expected credit loss	(ii)	(41,957)	(45,697)
c. Gain from excess interest spread on assignment transactions	(iii)	12,689	7,795
d. Fair valuation of loans and other financial assets	(iv)	3,633	4,036
e. Fair valuation of derivatives	(v)	(4,920)	(23)
f. Deferred tax on above adjustments	(vii)	9,782	11,497
Equity as reported under Ind AS		2,59,133	2,29,274

Reconciliation of Total Comprehensive Income

(₹ in Lakhs)

Particulars	Note	For the year ended March 31st, 2018
Profit after Tax as per Previous GAAP		26,349
Adjustments on account of:		
a. Interest income and expenses recognition using EIR on financial assets and liabilities at amortised cos	(i)	5,554
b. Expected credit loss	(ii)	423
c. Gain from excess interest spread on assignment transactions	(iii)	4,894
d. Fair valuation of loans and other financial assets	(iv)	(36)
e. Fair valuation of derivatives	(v)	(5,244)
f. Actuarial gains/loss on employee benefit plan	(vi)	(803)
g. Deferred tax on above adjustments	(vii)	(1,551)
Net Profit after tax as per Ind AS		29,586
Other comprehensive income, net of tax		
a. Remeasurements of the defined benefit plans		528
b. Fair valuation of loans		3,003
Total Comprehensive Income as per Ind AS		33,117

Reconciliation of Statement of Cash Flows

(₹ in Lakhs)

Particulars	Note	Amount as per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	(viii) and (ix)	(3,26,062)	(74,900)	(4,00,962)
Net cash generated from/(used in) investing activities	(ix)	(2,64,491)	(2,628)	(2,67,119)
Net cash generated from/(used in) financing activities	(viii)	5,85,899	77,528	6,63,427
Net increase/(decrease) in cash and cash equivalents		(4,654)	-	(4,654)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

Note 37: First Time Adoption (continued)

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

(i) Measurement of financial assets and financial liabilities at amortised cost

Under Previous GAAP, all financial assets and financial liabilities were carried at cost. Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

(ii) Expected Credit Loss

Under Previous GAAP, the impairment provisioning for the company were governed by the principles as prescribed by the RBI through NBFC-SI directions.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortized cost. Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses; or Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument.

(iii) Gain from excess interest spread on assignment transactions

Under previous GAAP, since the assignment transactions were carried out at book value of the loan assets with no upfront cash profit/loss, no gain/loss on the said transaction has been recognised on the same. Under Ind AS, gains from excess interest spread is recognised upfront.

(iv) Measurement of financial assets at fair value through Profit or Loss (FVTPL)

Under previous GAAP, financial assets were stated at cost. Under Ind AS, if the contractual terms of the financial asset give rise on specified dates to cash flows that are not solely payments of principal and interest on the principal amount outstanding, the entity shall measure the fair value of the financial instrument with changes thereof to the statement of Profit and Loss.

Similarly, under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and changes in fair value after the date of transition has been recognised in profit or loss.

(v) Measurement of derivative financial instruments at fair value

The Company uses derivative financial instruments, such as currency forwards, options and swaps to hedge its foreign currency risks. Under previous GAAP, these instruments were accounted for in accordance with principles specified under AS-11, whereby the premium or discount arising at the inception of such derivative contracts were amortized as expense or income over the life of the contract and any charge payable in respect of such foreign exchange contracts were recognized over the terms of the contract. Exchange differences on such contracts were recognized in the Statement of Profit and Loss in the period in which the exchange rates change.

The Company uses derivative financial instruments, such as cross currency swaps and interest Rate Swaps for hedging the interest rate risk. Under previous GAAP, as per Guidance Note on Accounting for Derivative Contracts issued by ICAI, the net mark to market losses or gains on the outstanding portfolios of such instruments were recognised directly in cash flow hedges.

Under Ind AS, changes in the fair value of all derivative financial instruments on adoption date has been routed through retained earnings. The changes in fair value of derivative financial instruments, after adoption date, which are designated as cash flow hedges are recognised in equity. Amounts deferred in equity are transferred to the Statement of Profit and Loss in line with the hedged transaction.

(vi) Re-measurement Gains and Losses on Defined Benefit Plans

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee compensated absences were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of statement of profit and loss.

(vii) Tax Impact on above adjustments

The above adjustments have led to recognition of deferred taxes on new temporary differences.

(viii) The Company transfers loan assets under securitisation arrangements to banks and financial institutions. Some of the arrangements do not meet the de-recognition criteria due to credit enhancement being provided to the banks and financial institutions. Consequently, proceeds received from such transactions are recorded as collateralised borrowings and loan assets continue to be recognised in the financial statements. Under the Previous GAAP, such transactions were de-recognised and recorded as a sale.

(ix) The adjustments are due to regrouping of sale or purchase of investments from operating activities to financing activities. As a result, cash flow from operating activities under Ind AS is higher and cash flow from investing activities is lower.

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019****38. CAPITAL MANAGEMENT**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(₹ in lakhs)

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Tier I capital	3,01,284	2,62,810	2,40,076
Tier II capital	1,12,149	1,29,269	86,745
Total capital (A)	4,13,433	3,92,079	3,26,821
Risk weighted assets	25,70,888	24,60,048	17,51,677
Tier I Ratio	11.72%	10.68%	13.71%
Tier II Ratio	4.36%	5.26%	4.95%

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, retained earnings including current year profit, statutory reserves and other free reserves less deferred revenue expenditure and intangible assets. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds and loans.

The aforesaid figures on regulatory capital are resatated as per Reserve Bank of India (RBI) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and are not as per Ind AS.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial asset, Financial liability and equity instrument are disclosed in Note 2 to the financial statements.

A) Categories of Financial Instruments

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

(₹ in lakhs)

	As at March 31st, 2019		As at March 31st, 2018		As at April 1st, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
a) Measured at amortised cost						
i) Cash and cash equivalents	21,624	21,624	2,529	2,529	7,183	7,183
ii) Other bank balances	1,57,472	1,57,472	80,250	80,250	32,560	32,560
iii) Trade Receivables	10,664	10,664	11,284	11,284	5,579	5,579
iv) Loans	15,68,858	15,83,450	12,45,953	12,55,589	8,44,843	8,50,319
v) Other financial assets	28,751	28,751	30,160	30,160	17,722	17,722
Sub-total	17,87,369	18,01,961	13,70,176	13,79,812	9,07,887	9,13,363
b) Measured at Fair value through Profit or Loss						
i) Derivative financial instruments	5,717	5,717	3,864	3,864	7,406	7,406
ii) Loans	40,008	40,008	35,571	35,571	32,039	32,039
iii) Investments	10,341	10,341	11,194	11,194	10,430	10,430
iv) Other financial assets	21,022	21,022	24,030	24,030	24,030	24,030
Sub-total	77,088	77,088	74,659	74,659	73,905	73,905
c) Measured at Fair value through Other Comprehensive Income						
i) Loans	2,52,621	2,52,621	4,79,162	4,79,162	3,67,836	3,67,836
Sub-total	2,52,621	2,52,621	4,79,162	4,79,162	3,67,836	3,67,836
Total financial assets	21,17,078	21,31,670	19,23,997	19,33,633	13,49,628	13,55,104
Financial liabilities						
a) Measured at amortised cost						
i) Payables	1,71,437	1,71,437	1,78,320	1,78,320	1,06,288	1,06,288
ii) Debt Securities	1,84,735	1,87,659	1,21,292	1,25,959	97,779	94,792
iii) Borrowings (Other than Debt Securities)	17,28,634	17,25,201	16,50,599	16,55,963	10,32,738	10,53,881
iv) Subordinated Liabilities	1,83,380	1,80,801	1,82,801	1,81,412	1,58,393	1,33,512
v) Other financial liabilities	63,865	63,865	52,696	52,696	33,875	33,875
Sub-total	23,32,051	23,28,963	21,85,708	21,94,350	14,29,073	14,22,348
b) Measured at Fair value through Profit or loss						
i) Derivative Financial instruments	5,302	5,302	4,395	4,395	4,322	4,322
Sub-total	5,302	5,302	4,395	4,395	4,322	4,322
Total financial liabilities	23,37,353	23,34,265	21,90,103	21,98,745	14,33,396	14,26,670

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables

Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at a rate that reflects market risks..

Other financial assets measured at amortised cost

For other financial assets that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Such instruments majorly include: cash, cash equivalents, other bank balances, Trade and Other receivables and Security Deposits.

Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at a rate that reflects market risks..

Other financial liabilities measured at amortised cost

For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.

Such instruments majorly include: Trade & Other payables and Trade Deposits .

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

B. Fair value hierarchy

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

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

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

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

(₹ in lakhs)

	As at March 31st, 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	5,717	-	5,717
Loans	-	-	2,92,629	2,92,629
Investments	298	10,043	-	10,341
Other Financial Assets	-	-	21,022	21,022
	298	15,760	3,13,651	3,29,709
Financial liabilities				
Derivative Financial Instruments	-	5,302	-	5,302
	-	5,302	-	5,302

(₹ in lakhs)

	As at March 31st, 2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	3,864	-	3,864
Loans	-	-	5,14,733	5,14,733
Investments	959	10,235	-	11,194
Other Financial Assets	-	-	24,030	24,030
	959	14,099	5,38,763	5,53,821
Financial liabilities				
Derivative Financial Instruments	-	4,395	-	4,395
	-	4,395	-	4,395

(₹ in lakhs)

	As at April 1st, 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	7,406	-	7,406
Loans	-	-	3,99,875	3,99,875
Investments	1,326	9,104	-	10,430
Other Financial Assets	-	-	24,030	24,030
	1,326	16,510	4,23,905	4,41,741
Financial liabilities				
Derivative Financial Instruments	-	4,322	-	4,322
	-	4,322	-	4,322

Fair value of the Company's Assets and Liabilities that are measured at fair value on a recurring basis (Level 2 and Level 3)

Particulars	Fair Value as at			Fair Value Hierarchy	Valuation Technique and Key Input	Significant Unobservable Input
	March 31st, 2019	March 31st, 2018	April 1st, 2017			
Financial Assets						
Derivative Financial Instruments	5,717	3,864	7,406	Level 2	Note (i)	N/A
Loans	2,92,629	5,14,733	3,99,875	Level 3	Note (ii)	Note (v)
Investments	298	959	1,326	Level 1	Note (iii)	N/A
Investments	10,043	10,235	9,104	Level 2	Note (iv)	N/A
Other Financial Assets	21,022	24,030	24,030	Level 3	Note (ii)	Note (v)
Financial liabilities						
Derivative Financial Instruments	5,302	4,395	4,322	Level 2	Note (i)	N/A

SREI EQUIPMENT FINANCE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

(i) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

(ii) Income Approach.

The discounted cash flow method was used to capture the present value of the expected future benefits (including contractual cashflows) to be derived from the Loan Assets/Other Financial Assets.

(iii) Quoted Prices.

Quoted bid prices of an active market was used.

(iv) Price to Revenue/Earnings Multiple Method

Price was derived as a multiple of revenue/earnings based on relevant information from companies operating in similar economic environment and industry.

(v) Discount rate, determined using the cost of lending of the company.

Reconciliation of Level 3 fair value measurements

Reconciliation	Loans		Other Financial Assets	
	March 31st, 2019	March 31st, 2018	March 31st, 2019	March 31st, 2018
Opening Balance	5,14,733	3,99,875	24,030	24,030
New loan disbursed	2,77,658	4,79,162	-	-
Loans repaid	(5,05,868)	(3,67,836)	-	-
Transfers into Level 3	-	-	-	-
Transfers from Level 3	-	-	-	-
Unrealised income/(loss)	3,437	3,532	(3,008)	-
Other Comprehensive Income	2,669	-	-	-
Closing Balance	2,92,629	5,14,733	21,022	24,030

Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

Below table shows impact of increase/decrease in fair valuation measurement at 2%

	March 31st, 2019		March 31st, 2018	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans at FVTOCI	7,403	(7,086)	13,680	(13,110)
Loans at FVTPL	1,158	(1,085)	1,653	(1,551)
Other Financial Assets at FVTPL	631	(596)	630	(604)
Total	9,192	(8,767)	15,963	(15,265)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

C) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.

Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Company's senior management. It defines the strategy for managing liquidity and interest rate risks in the business.

a) Market risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk:

- i. Foreign Currency Risk
- ii. Interest Rate Risk
- iii. Other Price Risk

i. Foreign currency risk

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

Foreign Currency Exposure (₹ in lakhs)

As at March 31st, 2019	USD	Euro	Others [#]	Total
Borrowings (Other than Debt Securities)	1,61,735	67,815	-	2,29,550
As at March 31st, 2018	USD	Euro	Others [#]	Total
Borrowings (Other than Debt Securities)	1,69,293	58,461	215	2,27,969
As at April 1st, 2017	USD	Euro	Others [#]	Total
Borrowings (Other than Debt Securities)	85,404	25,856	2,133	1,13,393

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

Hedged Foreign Currency balances (₹ in lakhs)* :		As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Borrowings (Other than Debt Securities)	USD	1,61,735	1,69,293	85,404
	EUR	67,815	58,461	25,856
	Others [#]	-	215	2,133

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

* The same does not meet hedge documentation criterion as per IndAS 109.

Foreign currency sensitivity

Impact on increase in 2% (₹ in lakhs)

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
USD	(3,235)	(3,386)	(1,708)
EUR	(1,356)	(1,169)	(517)
Others [#]	-	(4)	(43)

Impact on decrease in 2% (₹ in lakhs)

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
USD	3,235	3,386	1,708
EUR	1,356	1,169	517
Others [#]	-	4	43

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

The Company has entered into Spots, Forwards and Currency Swaps to manage its foreign currency risk. Hence, the Company's profit and loss and equity is not exposed to such foreign currency sensitivity.

ii. Interest rate risk

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.

The company is further exposed to interest rate risk as the company also lends funds at floating interest rates.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

Interest Rate Exposure (₹ in lakhs) [Financial Instruments at variable interest rates]

As at March 31st, 2019	INR	USD	Others [#]	Total
Financial Assets				
Loans	13,52,225	-	-	13,52,225
Financial Liabilities				
Borrowings (Other than Debt Securities)	11,35,018	1,54,501	67,815	13,57,334
Subordinated Liabilities	5,000	-	-	5,000
As at March 31st, 2018	INR	USD	Others	Total
Financial Assets				
Loans	11,20,230	-	-	11,20,230
Financial Liabilities				
Borrowings (Other than Debt Securities)	10,61,843	1,50,388	27,370	12,39,601
Subordinated Liabilities	6,667	-	-	6,667
As at April 1st, 2017	INR	USD	Others	Total
Financial Assets				
Loans	8,20,466	-	-	8,20,466
Financial Liabilities				
Borrowings (Other than Debt Securities)	8,11,345	71,449	16,702	8,99,496
Subordinated Liabilities	25,000	-	-	25,000

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Interest Rate sensitivity

Impact on increase in 2% (₹ in lakhs)

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
INR	4,244	1,434	(318)
USD	(3,090)	(3,008)	(1,429)
Others [#]	(1,356)	(547)	(334)

Impact on decrease in 2% (₹ in lakhs)

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
INR	(4,244)	(1,434)	318
USD	3,090	3,008	1,429
Others [#]	1,356	547	334

Others primarily include EUR-EURO, GBP-Great Britain Pound and SGD-Singapore Dollar

In some cases, the Company has entered into cross currency swap and interest rate swaps to manage its interest rate risk. The Company's profit and loss and equity is not exposed to interest rate sensitivity to that extent.

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit & Loss as at March 31st, 2019 is ₹ 297 Lakhs (March 31st, 2018 ₹ 959 Lakhs, April 1st, 2017 ₹ 1,326 Lakhs)

A 10% change in equity prices of such securities held as at March 31st, 2019, March 31st, 2018 and April 01st, 2017, would result in an impact of ₹ 30 Lakhs (31st March 2018 ₹ 96 Lakhs, 1st April 2017 ₹ 133 Lakhs).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

b) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's treasury maintains flexibility in funding by maintaining sufficient cash and marketable securities and the availability funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Company's Asset Liability Management Committee (ALCO) lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

Liquidity risk management :

	As at March 31st, 2019								
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial assets									
i) Cash and cash equivalents	21,624	-	-	-	-	-	-	-	21,624
ii) Other bank balances	5,286	18,276	21,094	59,708	28,744	23,947	414	3	1,57,472
iii) Derivative financial instruments	5,717	-	-	-	-	-	-	-	5,717
iv) Trade receivables	2,666	5,332	2,666	-	-	-	-	-	10,664
v) Loans	91,379	1,15,880	1,10,477	1,26,106	2,41,818	7,58,982	2,79,721	1,90,624	19,14,987
vi) Investments	115	-	-	-	438	5,744	1,267	2,777	10,341
vii) Other financial assets	13,082	1,538	1,465	5,265	17,447	14,532	1,693	43	55,065
Total	1,39,869	1,41,026	1,35,702	1,91,079	2,88,447	8,03,205	2,83,095	1,93,447	21,75,870
B: Financial liabilities									
i) Debt Securities	-	-	9,382	-	18,429	71,105	57,657	29,971	1,86,544
ii) Borrowings (Other than Debt Securities) #	50,585	1,55,259	31,861	1,50,474	7,87,017	3,00,364	2,00,977	56,774	17,33,311
iii) Subordinated Liabilities	2,500	3,000	-	-	20,000	19,010	55,363	86,523	1,86,396
iv) Trade payables	37,881	24,627	30,706	60,248	6,651	11,324	-	-	1,71,437
v) Derivative financial instruments	5,302	-	-	-	-	-	-	-	5,302
vi) Other financial liabilities	15,167	1,302	1,622	5,697	5,798	18,127	13,043	14,625	75,381
Total	1,11,434	1,84,188	73,572	2,16,419	8,37,895	4,19,930	3,27,040	1,87,893	23,58,371

	As at March 31st, 2018								
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial assets									
i) Cash and cash equivalents	2,529	-	-	-	-	-	-	-	2,529
ii) Other bank balances	3,822	724	11,879	17,658	27,169	18,577	421	-	80,250
iii) Derivative financial instruments	3,864	-	-	-	-	-	-	-	3,864
iv) Trade receivables	2,821	5,642	2,821	-	-	-	-	-	11,284
v) Loans	88,261	80,237	73,494	1,32,732	2,44,697	8,47,557	3,14,264	27,360	18,08,602
vi) Investments	-	-	-	-	1,073	274	5,066	4,781	11,194
vii) Other financial assets	16,370	1,024	1,323	2,834	7,735	25,723	192	133	55,334
Total	1,17,667	87,627	89,517	1,53,224	2,80,674	8,92,131	3,19,943	32,274	19,73,057
B: Financial liabilities									
i) Debt Securities	-	28,332	-	7,252	-	34,234	38,057	14,100	1,21,975
ii) Borrowings (Other than Debt Securities) #	3,38,689	1,93,553	2,73,113	81,734	3,83,712	2,01,850	1,36,680	48,161	16,57,492
iii) Subordinated Liabilities	-	-	-	17,467	-	32,700	56,089	80,164	1,86,420
iv) Derivative financial instruments	4,395	-	-	-	-	-	-	-	4,395
v) Trade payables	25,412	24,977	24,177	78,325	18,445	6,984	-	-	1,78,320
vi) Other financial liabilities	11,748	1,464	1,719	6,149	2,824	12,779	11,570	14,366	62,619
Total	3,80,244	2,48,326	2,99,009	1,90,927	4,04,981	2,88,547	2,42,396	1,56,791	22,11,221

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

	As at April 1st, 2017								
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial assets									
i) Cash and cash equivalents	7,183	-	-	-	-	-	-	-	7,183
ii) Other bank balances	1,742	8,849	3,092	3,629	11,628	3,619	1	-	32,560
iii) Derivative financial instruments	7,406	-	-	-	-	-	-	-	7,406
iv) Trade receivables	1,395	2,790	1,394	-	-	-	-	-	5,579
v) Loans	55,846	58,936	27,497	88,824	2,12,769	6,07,364	1,98,015	30,806	12,80,057
vi) Investments	31	29	27	68	1,379	13	5,175	3,708	10,430
vii) Other financial assets	9,354	706	2,066	1,882	2,372	26,937	111	99	43,527
Total	82,957	71,310	34,076	94,403	2,28,148	6,37,933	2,03,302	34,613	13,86,742
B: Financial liabilities									
i) Debt Securities	-	-	2,000	-	796	51,921	37,747	6,715	99,179
ii) Borrowings (Other than Debt Securities) #	55,449	2,91,616	75,158	55,359	3,53,129	1,31,863	54,517	17,097	10,34,188
iii) Subordinated Liabilities	-	-	10,000	15,833	10,000	42,967	19,010	63,430	1,61,240
iv) Derivative financial instruments	4,322	-	-	-	-	-	-	-	4,322
v) Trade payables	22,968	15,408	16,175	43,827	5,253	2,657	-	-	1,06,288
vi) Other financial liabilities	15,697	785	823	3,928	1,895	7,455	6,318	269	37,170
Total	98,436	3,07,809	1,04,156	1,18,947	3,71,073	2,36,863	1,17,592	87,511	14,42,387

This includes working capital facilities considered in over 6 months and upto 1 year bucket based on contractual terms, however, as per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature.

c) Credit risk

The principal business of the company is to provide financing in the form of loans to its clients primarily to acquire assets. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. The Company also provides Leasing services to its clients which result in accrual of Trade Receivables. The Company is exposed to credit risk to the extent of such Trade Receivables. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has credit policies approved by the Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

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

The Company's Loan and trade receivables consists of a large number of customers, hence the Company is not exposed to concentration risk with respect to any particular customer.

SREI EQUIPMENT FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019****39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)****D) Transfers of financial assets that are not derecognised in their entirety :**

The Company has carried out securitisation transactions wherein it has securitised loans. Even though the loan assets have been securitised, the Company still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns are dependent on the realisation from the securitised loan assets, leading to company bearing the risk of non-realisation from the pool.

D.1. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

	As at March 31st, 2019	As at March 31st, 2018	As at April 1st, 2017
Carrying amount of assets	1,18,779	74,636	*
Carrying amount of associated liabilities	1,23,033	79,111	*
Fair value of assets	1,20,331	75,706	*
Fair value of associated liabilities	1,21,552	76,647	*

* The company has chosen to apply the de-recognition requirements of Ind AS - 109 prospectively by choosing the first-time exemptions provided by Ind AS - 101.

40. Assets obtained by taking possession of collateral/assets

The Company has obtained certain non-financial assets during the year by taking possession of collaterals or underlying assets on default by the party. The Company's policy is to determine whether a repossessed asset can be released back to the customer or should be sold. Assets which are identified for sale are classified as assets held for sale at their fair value or carrying value, whichever is lower. The Company's policy is to realise collateral on a timely basis.

The table below outlines the nature and values of assets held for sale obtained during the year and where still lying with the company as at the year end:

(₹ in lakhs)

	Figures for the year ended March 31st, 2019	Figures for the year ended March 31st, 2018
Land	2,265	-
Property	-	2,018
Other	15,391	6,483
Total assets obtained by taking possession of collateral/assets	17,656	8,501

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

41. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Assets	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and cash equivalents	21,624	-	21,624	2,529	-	2,529	7,183	-	7,183
Other balances with bank	1,33,109	24,363	1,57,472	61,252	18,998	80,250	28,940	3,620	32,560
Derivative financial instrument:	5,717	-	5,717	3,864	-	3,864	7,406	-	7,406
Trade Receivables	10,664	-	10,664	11,284	-	11,284	5,579	-	5,579
Loans	6,69,578	11,91,909	18,61,487	6,04,476	11,56,210	17,60,686	4,30,939	8,13,779	12,44,718
Investments	553	9,788	10,341	1,073	10,121	11,194	1,534	8,896	10,430
Other Financial assets	35,119	14,654	49,773	25,593	28,597	54,190	15,217	26,535	41,752
Tax assets (Net)	-	-	-	-	5,228	5,228	-	488	488
Property, Plant and Equipment	-	4,51,238	4,51,238	-	4,43,875	4,43,875	-	2,31,306	2,31,306
Other Intangible assets	-	535	535	-	1,115	1,115	-	2,374	2,374
Other non-financial assets	80,181	11,442	91,623	88,312	17,985	1,06,297	84,082	8,426	92,508

Liabilities	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial instrument:	5,302	-	5,302	4,395	-	4,395	4,322	-	4,322
Trade Payables	1,60,113	11,324	1,71,437	1,71,336	6,984	1,78,320	1,03,629	2,659	1,06,288
Debt Securities	27,641	1,57,094	1,84,735	35,545	85,747	1,21,292	3,783	93,996	97,779
Borrowings (Other than Debt Securities)	11,74,535	5,54,099	17,28,634	12,66,737	3,83,862	16,50,599	8,29,973	2,02,765	10,32,738
Subordinated Liabilities	25,350	1,58,030	1,83,380	1,667	1,81,134	1,82,801	35,774	1,22,619	1,58,393
Other financial liabilities	29,392	34,473	63,865	23,785	28,911	52,696	19,987	13,888	33,875
Current Tax Liabilities (Net)	93	-	93	-	-	-	-	-	-
Provisions	112	1,261	1,373	281	1,011	1,292	190	1,826	2,016
Deferred tax liabilities (Net)	-	18,490	18,490	-	17,845	17,845	-	7,680	7,680
Other non-financial liabilities	1,410	11,321	12,731	1,126	11,013	12,139	763	3,176	3,939

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

42. DISCLOSURE OF JOINT CONTROLLED OPERATION AS ON MARCH 31ST, 2019

During the year ended March 31st, 2017, the Company has entered into agreements with PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidut Limited (“SPVs”), respectively, for joint use and operation of certain assets in relation to Solar Power Generation project. These SPVs have already entered into purchase power agreement (PPA) with Uttarakhand Power Corporation Limited (UPCL). Pursuant to the agreement, the revenue generated from the sale of power to UPCL will be shared among the Company and SPVs in the ratio of 80:20. Subsequently this revenue sharing ratio has been revised to 65:35 with effect from October 1st, 2018.

Accordingly, an amount of ₹ 2,030 Lakhs (March 31st, 2018 : ₹ 2,106 lakhs) has been recognized as “Sale of Power” under the head "Revenue from Operations". None of the Company’s assets has been transferred to the Joint Venture and there is no liability incurred in this respect.

There are no Contingent Liabilities or Capital Commitments in this respect.

43. SEGMENT REPORTING

The Company is primarily engaged in providing asset finance to customers in India. Consequently, there are no separate reportable segments as per 'Ind AS 108'.

44. (i) Information as required by terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”) is furnished vide Annexure – I attached herewith.

In line with the requirements of Para 9 of the Master Directions, the additional RBI disclosures have been prepared as per the prevalent accounting standards [being Indian Accounting Standards ('Ind AS') read with the Companies (Indian Accounting Standards) Rules, 2015 for the current year and erstwhile Accounting Standards as per Companies (Accounting Standards) Rules, 2006 for the previous year] insofar as they are not inconsistent with any of these Directions. In case of any inconsistency, the Company has followed the specific principles as prescribed in the Master Directions. The disclosures figures for the previous years are those as reported in the annual financial statement for the year ended March 31st, 2018, and have not been recasted/adjusted for Ind AS transition impact.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

44. (ii) SECURITISATION AND ASSIGNMENT OF RECEIVABLES

44. (iia) Securitisation of receivables

In terms of Reserve Bank of India Guidelines on securitization of assets issued on February 1st, 2006, details of financial assets securitized by the Company during the year ended are as under:

Particulars	(₹ in lakhs, except in respect of total number of contracts)	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Total number of contracts securitized	7,305	9,459
Book Value of contracts securitized	1,03,331	95,057
Sales consideration*	1,03,331	95,057
Gain/(Loss) (net) on securitization	-	-
Subordinated assets as on Balance Sheet date	-	-

*excludes unmatured finance charges thereon.

The aggregate amount of collateral security provided by the Company against the securitized pools stands as follows on the Balance Sheet date:

Particulars	(₹ in lakhs)	
	As at March 31st, 2019	As at March 31st, 2018
Bank/Other deposits provided as collateral as on Balance Sheet date	35,553	26,769
Credit enhancements provided by third parties;		
-First loss facility	-	-
-Second loss facility	-	-

44. (iib) Assignment of receivables

In terms of Reserve Bank of India guidelines on securitisation of assets issued on 21st August, 2012, during the year ended March 31st, 2019, the Company has assigned financial assets to the extent of ₹ 417,086 lakhs (March 31st, 2018: ₹ 367,526 lakhs) for sale consideration of ₹ 4,17,086 lakhs (March 31st, 2018: ₹ 3,67,526 lakhs). The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 47,879 lakhs (March 31st, 2018: ₹ 40,836 lakhs). Assets assigned are derecognized from the books of account. As at March 31st, 2019 the Company has lodged bank deposits of Nil (March 31st, 2018: Nil) as collateral against total assigned contracts outstanding at the year ended March 31st, 2019.

44. (iic) The aggregate amount of assets derecognized/loans originated till date in terms of paragraphs 44. (iia) to 44. (iib) above and outstanding as at year end are as under:

Particulars	(₹ in lakhs)	
	March 31st, 2019	March 31st, 2018
Securitization	1,37,992	1,27,917
Assignment of Receivables	5,47,776	4,29,196
Total	6,85,768	5,57,113

SREI EQUIPMENT FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

44. (ii) SECURITISATION AND ASSIGNMENT OF RECEIVABLES (CONTINUED)

44. (iia) In terms of Section A of Annex XX of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, details of contracts securitized by the Company and outstanding at the year ended March 31st, 2019 are as under:

Sl.No	Particulars	As at	As at
		March 31st, 2019 #	March 31st, 2018 #
		No. / (₹ in lakhs)	No. / (₹ in lakhs)
1	No of Vehicles (SPVs) sponsored by the NBFC for securitisation transactions	14	11
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	1,37,992	1,27,917
3	Total amount of exposures retained by the NBFC to comply with Minimum retention ratio (MRR) as on the date of Balance Sheet		
	a) Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss	35,553	26,769
	* Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Loss	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Others	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

The above figures are based on the information obtained from the SPVs, which is duly certified by the SPV's auditor.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

44. (ii) SECURITISATION AND ASSIGNMENT OF RECEIVABLES (CONTINUED)

44. (iie) In terms of Section B of Annex XX of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, details of contracts directly assigned by the Company and outstanding at the year ended March 31st, 2019 are as under:

Sl.No	Particulars	As at	As at
		March 31st, 2019	March 31st, 2018
		No. / (₹ in lakhs)	No. / (₹ in lakhs)
1	No of transactions assigned by the Company	67	50
2	Total amount outstanding	5,47,776	4,29,196
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Requirement (MRR) as on the date of Balance Sheet		
	a) Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss	-	-
	* Others	62,400	47,697
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Loss	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Others	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

44. (iii) DISCLOSURE OF RESTRUCTURED ACCOUNTS

In terms of Appendix 4 of Annex V of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

(₹ in lakhs)

SI No	Type of Restructuring		Under CDR Mechanism				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts on April 1st, 2018	No. of Borrowers	1 (3)	1 (2)	- (-)	- (-)	2 (5)
		Amount Outstanding	1,992 (10,690)	762 (1,743)	- (-)	- (-)	2,754 (12,433)
		Provision there on *	171 (982)	206 (472)	- (-)	- (-)	377 (1,454)
2	Fresh restructuring during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision there on *	- (-)	- (-)	- (-)	- (-)	- (-)
3	Upgradation to restructured Standard category during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision there on *	- (-)	- (-)	- (-)	- (-)	- (-)
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight and hence need not be shown as restructured standard advances at the beginning of the next year	No. of Borrowers	- (2)	- (-)	- (-)	- (-)	- (2)
		Amount Outstanding	- (8,726)	- (-)	- (-)	- (-)	- (8,726)
		Provision there on *	- (732)	- (-)	- (-)	- (-)	- (732)
5	Downgradations of restructured accounts during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision there on *	- (-)	- (-)	- (-)	- (-)	- (-)
6	Write-Offs of restructured accounts during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision there on *	- (-)	- (-)	- (-)	- (-)	- (-)
7	Restructured Accounts on March 31, 2019	No. of Borrowers	1 (1)	1 (1)	- (-)	- (-)	2 (2)
		Amount Outstanding	2,494 (1,992)	679 (762)	- (-)	- (-)	3,173 (2,754)
		Provision there on *	168 (171)	136 (206)	- (-)	- (-)	304 (377)

Figures in the bracket indicates previous year

* Provision as stated above includes provision for diminution in fair value of restructured advances.

44. (iv) DISCLOSURE ON STRATEGIC DEBT RESTRUCTURING (SDR) SCHEME AS ON MARCH 31ST, 2019

(₹ in lakhs)

No. of accounts where SDR has been invoked	Amount outstanding		Amount outstanding with respect to accounts where conversion of debt to equity is pending		Amount outstanding with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
One number of Account	-	167	-	-	-	167
One number of Account	-	(167)	-	-	-	(167)

Figures in the bracket indicates previous year.

44. (v) DISCLOSURES ON THE SCHEME FOR SUSTAINABLE STRUCTURING OF STRESSED ASSETS (S4A), AS ON MARCH 31ST, 2019

(₹ in lakhs)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision held
		In part A	In part B *	
Three number of account classified as Standard	11,716	6,779	4,937	2,343
Three number of account classified as Standard	(13,202)	(8,265)	(4,937)	(2,640)

Figures in the bracket indicates previous year.

* Note: Part B represents the Optionally Convertible Debentures and Equity received as per the S4A scheme.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2019

45. Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

Signatories to Notes 1 to 45.

On behalf of the Board of Directors

Sunil Kanoria
Vice Chairman
(DIN : 00421564)

Devendra Kumar Vyas
Managing Director
(DIN : 00651362)

Place : Kolkata
Date: 17th May, 2019

Manoj Kumar Beriwal
Chief Financial Officer

Ritu Bhojak
Company Secretary

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”)

1. Capital to Risk Asset Ratio (CRAR)

(₹ in lakhs)

Sl no.	Items	Current year	Previous year
(i)	CRAR (%)	16.08%	15.94%
(ii)	CRAR – Tier I Capital (%)	11.72%	10.68%
(iii)	CRAR – Tier II Capital (%)	4.36%	5.26%
(iv)	Amount of subordinated debt raised as Tier-II capital	6,928	60,517
(v)	Amount raised by issue of Perpetual Debt Instruments*	10,000	-

* As at March 31st 2019, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 13,750 lakhs (March 31st 2018 : ₹ 3,750 lakhs, April 1st, 2017: ₹ 3,750 lakhs) which is 4.56% (March 31st 2018 : 1.43%, April 1st, 2017: 1.56%) of total Tier I Capital.

2. Exposure to Real Estate Sector

(₹ in lakhs)

Category	Current year	Previous year
a) Direct Exposure		
(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
(ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	2,01,136	89,378
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
b) Indirect exposure	-	-
Total Exposure to Real Estate Sector	2,01,136	89,378

3. Exposure to Capital Market

(₹ in lakhs)

Category	Current year	Previous year
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; *	11,091	11,418
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	16,342	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	6,447	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	33,880	11,418

* Includes equity shares, optionally convertible debentures and compulsorily convertible preference shares acquired in satisfaction of debts.

4. Details of Assignment transactions undertaken by NBFCs

(₹ in lakhs, except in respect of total number of accounts)

SL No	Particulars	Current year	Previous Year
(i)	Number of accounts	11,483	6,963
(ii)	Aggregate value (net of provisions) of accounts sold	4,17,086	3,67,526
(iii)	Aggregate consideration	4,17,086	3,67,526
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - 1 TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

5. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March, 31st 2019 are as follows;

(₹ in lakhs)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	78,831	85,805	94,653	1,26,175	2,54,648	8,67,319	4,25,938	2,26,502	21,59,870
	(1,28,204)	(95,563)	(87,225)	(1,59,736)	(3,12,261)	(10,13,955)	(3,92,133)	(38,153)	(16,04,969)
Investments	115	-	-	-	437	5,601	1,530	3,407	11,090
	(31)	(29)	(27)	(68)	(53)	(7)	-	-	(215)
Borrowing	50,964	43,767	71,428	1,16,012	2,22,223	7,11,253	4,96,093	2,70,868	19,82,608
	(63,610)	(1,03,988)	(1,92,810)	(1,50,785)	(2,00,733)	(6,31,869)	(3,79,989)	(1,58,146)	(18,81,930)
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign Currency Liabilities	2,434	15,200	20,936	32,648	5,504	10,207	-	-	86,929
	(1,079)	(2,987)	(2,187)	(12,357)	(18,445)	(6,984)	-	-	(44,039)

Figures in bracket indicate previous year's figures i.e. as on March 31st, 2018

Note :

The maturity pattern of working capital facilities including buyer's credit facilities, aggregated outstanding value being ₹ 9,30,692 Lakhs as at March 31st, 2019 (₹ 8,98,012 Lakhs as at March 31st, 2018), sanctioned by the banks has been apportioned in proportion to the maturity pattern of the advances. It may be noted that out of above working capital facilities, contractually cash credit facilities amounting to ₹ 6,80,692 Lakhs (previous year: ₹ 2,68,374 Lakhs) falls due within 1 year from the balance sheet date, while in respect of Working Capital Demand Loan (WC DL) amount of ₹ 30,000 Lakhs (previous year: ₹ 3,23,500 Lakhs) falls due within "upto 30/31 days"; amount of ₹ 1,45,500 Lakhs (previous year: ₹ 1,54,500 Lakhs) falls due 'over 1 month but upto 2 months'; amount of ₹ 4,500 Lakhs (previous year: ₹ 1,09,500 Lakhs) falls due 'Over 2 months upto 3 months' and amount of ₹ 70,000 Lakhs (previous year: ₹ 1,500 Lakhs) falls due 'Over 3 months & upto 6 months' from the balance sheet date and in respect of Buyers' credit facilities amount of ₹ Nil (previous year: ₹ 4,946 Lakhs) falls due within "upto 30/31 days"; amount of ₹ Nil (previous year: ₹ 2,160 Lakhs) falls due 'over 1 month but upto 2 months'; amount of ₹ Nil (previous year: ₹ 3,563 Lakhs) falls due 'Over 2 months upto 3 months'; amount of ₹ Nil (previous year: ₹ 8,367 Lakhs) falls due 'Over 3 months & upto 6 months' and amount of ₹ Nil (previous year: ₹ 21,601 Lakhs) falls due 'Over 6 months & upto 1 year' from the balance sheet date. However, these working capital facilities have been subsequently renewed for a year after the balance sheet date.

The RBI in its inspection report under section 45N of the RBI Act, 1934, for the year ended March 31st, 2017 have stated that the working capital facilities are short term in nature and that their renewal on a year on year basis should not be considered for arriving at their residual maturity. However, the Company is of the opinion that the basis adopted by the Company is appropriate and consistent with the past practice and this matter is under further discussion with the RBI.

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2019		As at March 31st, 2018	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
6.	Liabilities side: Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
	a) Debentures				
	- Secured	1,94,030	-	1,27,177	-
	- Unsecured	1,86,562	-	1,85,979	-
	(Other than falling within the meaning of public deposits)				
	b) Deferred Credits		-	-	-
	c) Term loans	6,35,957	-	4,94,662	-
	d) Inter- corporate loans and	-	-	-	-
	e) Commercial paper	31,747	-	1,84,125	-
	f) Other Loans (Tier II Loan, Buyers Credit, Working Capital Demand Loan etc)	9,47,753	-	9,06,712	-

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2019	As at March 31st, 2018
		Amount outstanding	Amount outstanding
	Assets side:		
7.	Break-up of Loans and Advances including bills receivables [other than those included in (8) below]:		
	(a) Secured	16,89,714	1,89,214
	(b) Unsecured	93,531	97,010
	Total (a) + (b)	17,83,245	2,86,224
8.	Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	Refer note 1	43,613 #
	(b) Assets on operating Lease	Refer note 1	4,32,498 #
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	Refer note 1	50,297 #
	(b) Loans other than (a) above	Refer note 1	15,16,085 #

Note 1: The Company has not disclosed amount outstanding under assets financing activities as the RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DN BR (PD) CC. No. 097/03.10.001/2018-19 dated February 28, 2019

With respect to determining the Company's eligibility of being classified as Asset Finance Company ("AFC"), the Company has consistently included inter alia (a) written down value of operation lease of vehicles, equipment, plant and machineries, computers, furniture and fixtures, etc. (b) financing in relation to used equipment and (c) repossessed assets.

During the year ended March 31st, 2018, the RBI has issued their inspection report under section 45N of the RBI Act, 1934, wherein they have declassified the above items from the computation to determine the eligibility of the AFC status of the Company as at 31st March 2017. The Company is of the opinion that the basis adopted by the Company is appropriate and the matter is under discussion with the RBI.

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”)

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2019	As at March 31st, 2018
		Amount Outstanding	Amount Outstanding
9.	Break up of Investments		
	<u>Current Investments :</u>		
	1. <u>Quoted :</u>		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. <u>Unquoted :</u>		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Pass Through Certificates etc)	-	-
	<u>Long term Investments</u>		
	1. <u>Quoted :</u>		
	(i) Shares : (a) Equity	298	645
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. <u>Unquoted :</u>		
	(i) Shares : (a) Equity	21	6
	(b) Preference	5,453	5,447
	(ii) Debentures and Bonds	5,319	5,320
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

Investments

(₹ in lakhs)

SL. No.	Particulars	Current year	Previous Year
10.	Value of Investments		
(i)	Gross Value of Investments	11,091	11,418
	(a) In India	11,091	11,418
	(b) Outside India,	-	-
(ii)	Provisions for Depreciation	-	-
	(a) In India	-	-
	(b) Outside India,	-	-
(iii)	Net Value of Investments	11,091	11,418
	(a) In India	11,091	11,418
	(b) Outside India.	-	-
11.	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off/ write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

(₹ in lakhs)

Sl. No.	Particulars	Current Year	Previous Year
12.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
(i)	Provision for depreciation on Investment	Nil	Nil
(ii)	Bad debts written off (Net)/Provision for Non Performing Assets (Note 1)	63,380	29,629
(iii)	Provision made towards Income tax	15,072	13,092
(iv)	Other Provision and Contingencies (with details)		
	- Provision for Employee Benefits	650	(183)
	- Provision for Standard Assets (Note 1)	(2,907)	4,573
		76,195	47,111

Note 1: The above provision figures have been computed in accordance with the provisioning norms as prescribed in the Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”).

The aggregate impairment amount on financial instruments as determined in accordance with the Expected Credit Loss Model under Ind AS and which has been charged to the Statement of Profit & Loss stands at ₹ 52,918 Lakhs.

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”)

13. Borrower Group-wise Classification of assets financed as in (7) and (8) above

(₹ in lakhs)

Sl. No.	Category	Amount net of provisions					
		As at March 31st, 2019			As at March 31st, 2018		
		Secured	Unsecured	Total	Secured	Unsecured	Total
(i)	Related parties	Refer note 1					
	a) Subsidiaries						
	b) Companies in the same group				1,184	-	1,184
	c) Other related parties				-	-	-
	Other than related parties				20,41,308	-	20,41,308
	Total	20,42,492	-	20,42,492			

Note 1: The Company has not disclosed amount outstanding under assets financing activities as the RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category “NBFC - Investment and Credit Company” vide its circular no. DN BR (PD) CC. No. 097/03.10.001/2018-19 dated February 28, 2019

14. Investor Group wise Classification of all Investments in Shares and Securities

(₹ in lakhs)

Sl. No.	Category	As at March 31st, 2019		As at March 31st, 2018	
		Market Value/Break up or Fair value or NAV	Book value (net of provision)	Market Value/Break up or Fair value or NAV	Book value (net of provision)
(i)	Related parties *				
	a) Subsidiaries	-	-	-	-
	b) Companies in the same group	-	-	-	-
	c) Other related parties	-	-	-	-
(ii)	Other than related parties	11,091	11,091	11,418	11,418

* As per IndAS 24: Related Party Disclosures as per ICAI

15. Concentration of Advances

(₹ in lakhs)

Sl. No.	Particulars	Current year	Previous Year
(i)	Total Advances to twenty largest borrowers	3,69,163	3,23,710
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	20.70%	19.11%

16. Concentration of Exposures

(₹ in lakhs)

Sl. No.	Particulars	Current year	Previous Year
(i)	Total Exposure to twenty largest borrowers / customers	3,89,246	3,34,616
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	20.64%	18.92%

17. Concentration of NPAs

(₹ in lakhs)

Sl. No.	Particulars	Current year	Previous Year
(i)	Total Exposure to top four NPA accounts	50,053	9,202

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

18. Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
(i)	Agriculture & allied activities	*
(ii)	MSME	
(iii)	Corporate borrowers	
(iv)	Services	
(v)	Unsecured personal loans	
(vi)	Auto loans	
(vii)	Other personal loans	

* The Company is engaged in the business of Infrastructure equipment financing. The portfolio has been bifurcated in sectors which are based on assets financed specifically in various Infrastructure sectors which includes IT, construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

19. Movement of Non Performing Assets (NPAs)

(₹ in lakhs)

SL. No.	Particulars	Current year	Previous Year
(i)	Net NPAs to Net Advances (%) *	5.34% #	1.3% ##
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	43,806	41,986
	(b) Additions during the year	1,30,408	24,448
	(c) Reductions during the year **	21,213	22,628
	(d) Closing balance	1,53,001	43,806
(iii)	Movement of Net NPAs		
	(a) Opening balance	30,800	29,903
	(b) Additions during the year	1,16,398	22,084
	(c) Reductions during the year **	19,582	21,187
	(d) Closing balance	1,27,616	30,800
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	13,006	12,083
	(b) Provisions made during the year	17,840	5,809
	(c) Write-off / write-back of excess provisions	5,461	4,886
	(d) Closing balance	25,385	13,006

* Net NPA on advances

** It includes write - off during the year

Net advances represents aggregate of Loan Assets, Trade Receivables, Net Block of Assets given on Operating Lease, Net block of Assets for Own Use (Plant and Machinery) and balances in Fixed Deposits Accounts. Assets for Own Use (Plant and Machinery) represent assets for use under Joint Controlled Operations.

Net advances represents Long-term Financial Assets, Current maturities of Long-term Financial Assets, Short-term Financial Assets, Trade Receivables, Net Block of Assets given on Operating Lease, Net block of Assets for Own Use (Plant and Machinery) and balances in Fixed Deposits Accounts. Assets for Own Use (Plant and Machinery) represent assets for use under Joint Controlled Operations.

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”)

20. Details of non-performing financial assets purchased :

(₹ in lakhs)

SL No :	Particulars	Current year	Previous Year
(i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

21. Details of Non-performing Financial Assets sold :

(₹ in lakhs)

SL No :	Particulars	Current year	Previous Year
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

22. Other Information :

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2019	As at March 31st, 2018
i.	Gross Non-Performing Assets		
	(a) Related Parties	-	-
	(b) Other than related Parties	1,53,001	43,806
ii.	Net Non-Performing Assets		
	(a) Related Parties		-
	(b) Other than related Parties	1,27,616	30,800
iii.	Assets/Receivables acquired in satisfaction of debt	40,072	44,239

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”)

23. Derivatives

Forward Rate Agreement(FRA)/Interest Rate Swap(IRS)

(₹ in lakhs)

SL. No.	Particulars	Current year	Previous Year
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	(585)	234

The nature and terms of FRA/IRS as on 31st March 2019 are set out below :

SL No.	Nature	Notional Principal (in lakhs)	Benchmark	Terms
(i)	Hedging	Nil	USD LIBOR	Fixed Payable Vs Floating Receivable

24. Exchange Traded Interest Rate (IR) Derivatives

SL. No.	Particulars	Current year	Previous Year
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at year end	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

25. Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks, besides other market risks / core functions. The company has put in place the policies for hedging / mitigating risks / strategies and processes for continuous monitoring of risks, which will enable the company to quantify risk, both on account of Foreign Currency and Interest Rate Risks. Apart from ALCO there is a Risk Committee of the Board which guides the company in these risks. Risk is measured on the basis of Fair Value as on reporting date. The Board has delegated authority to company officials in the Treasury department for entering into Generic derivative products besides Forward Contracts, on behalf of the company, to hedge the Foreign Currency and Interest Rate Risk exposures. The company has a Risk Management Policy which paves the way for risk reporting and risk monitoring systems. The marked-to-market values are obtained from the banks with whom the hedge deals are done. The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark (LIBOR) on underlying liability, enters into the derivative contracts. The Company does not enter into derivative contracts for speculation or trading purposes.

SREI EQUIPMENT FINANCE LIMITED**ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019**

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”)

(ii) Quantitative Disclosures**(₹ in lakhs)**

SL. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	2,63,856	Nil
(ii)	Marked to Market Positions [1]		
	a) Asset (+)	5,541	176
	b) Liability (-)	(4,541)	(761)
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

26. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Sl. No.	Particulars	Current Year	Previous Year
(i)	Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil

27. Registration obtained from other financial sector regulators : None**28. No penalites has been imposed by RBI and other regulators during the financial year ended 31st March 2019 and 31st March 2018**

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2019

Disclosure of details as required in terms of Annex XIV of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the “Master Directions”)

29. Ratings assigned by credit rating agencies and migration of ratings during the year

Sl. No.	Particulars	Current Year				Previous Year			
		CARE	ICRA	Brickwork	ACUITE (formerly SMERA)	CARE	ICRA	Brickwork	SMERA
(i)	Long Term Banking facilities	CARE AA*	-	-	-	CARE AA-	-	-	-
(ii)	Short Term Banking Facilities	CARE A1+*	-	-	-	CARE A1+	-	-	-
(iii)	Short Term Debt Instruments	CARE A1+ *	-	BWR A1+	-	CARE A1+	ICRA A1+	-	-
(iv)	NCDs/Bonds	CARE AA*	-	BWR AA+	ACUITE AA+	CARE AA-	-	BWR AA+	SMERA AA+
(v)	Unsecured Subordinated/Tier-II Debentures/Bonds	CARE AA-*	-	BWR AA+	ACUITE AA+#	CARE A+	-	BWR AA+	SMERA AA+
(vi)	Perpetual Debentures	CARE A+*	-	BWR AA-	-	CARE A	-	-	-

*Under credit watch with developing implications

#Under rating watch with developing implications

30. Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Restructions

Sl. No.	Particulars	Current Year	Previous Year
(i)	Nos of Accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of Accounts sold to SC/RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional Consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/loss over net book Value	Nil	Nil

31. Overseas Assets (for those with Joint Venturers and Subsidiaries abroad : Nil

32. Off Balance Sheet SPV's sponsored : Nil

33. Details of Financing of Parent Company Products : N.A

34. Disclosure of Complaints

Sl. No.	Customer Complaints	Current Year
(i)	No. of complaints pending at the beginning of the year	-
(ii)	No. of complaints received during the year	33
(iii)	No. of complaints redressed during the year	33
(iv)	No. of complaints pending at the end of the year	-

35. Disclosure of Fraud

DISCLOSURES RELATING TO FRAUD IN TERMS OF THE NOTIFICATION ISSUED BY RESERVE BANK OF INDIA VIDE DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17

During the year ended March, 31st 2019, no fraud was committed and reported to the RBI.