Srei Equipment Finance Limited

DIRECTORS' REPORT

DEAR MEMBERS,

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

FINANCIAL SUMMARY & STATE OF COMPANY'S AFFAIRS

(Rupees in Lacs)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Total Income	507,943	437,804
Total expenditure (including depreciation and other expenses etc.)	497,909	392,131
Profit Before Tax	10,034	45,673
Net Tax expense	4,443	15,035
Profit After Tax	5,591	30,638
Other Comprehensive Income	2,677	3,667
Total Comprehensive Income	8,268	34,305
Profit brought forward from earlier year	62,848	40,420
Profit available for Appropriation	68,399	71,051
Paid up Equity Share Capital	7,902	5,966
Amount transferred to/(from) Reserves	(15,857)	8,203
Net Worth	386,603	284,870

Note: The above figures are extracted from the financial statements for the financial year ended on March 31, 2020

OPERATIONAL REVIEW

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

- The gross profit (before depreciation, amortisation, impairment, Net loss on derecognition of financial instruments under amortised cost category, Impairment on financial instruments (Net), Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt and net tax expenses for the year was Rs. 158,935 Lacs as against Rs. 175,408 Lacs last year.

- Profit before taxation for the year was Rs.10,034 Lacs as against Rs. 45,673 Lacs in the last year.

- Net profit after taxation for the year was Rs. 5,591 Lacs as against Rs. 30,638 Lacs in the last year.

- The total asset under management was Rs. 42,512 Crores as against Rs. 32,229 Crores last year.

The Capital Adequacy Ratio (CAR) of your Company stands at 15.76 per cent as on March 31, 2020, well above the regulatory minimum level of 15 percent prescribed by the Reserve

Bank of India (RBI) for systemically important non-deposit taking NBFCs (NBFCs-ND-SI) and of this, the Tier I CAR was 11.46 per cent.

The Financial Statements of your Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (IND AS) and the relevant provisions of the Companies Act, 2013 and rules made therein, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses audited / unaudited financial results on a half yearly basis and audited financial results on an annual basis.

Your Company has complied with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair practices, Anti Money Laundering and Know Your Customer (KYC) guidelines.

DIVIDEND

With a view to conserve capital, given the challenging situation caused by the ongoing Covid-19 pandemic, the Board of Directors has not recommended any dividend on Equity Shares of the Company for the financial year ended March 31, 2020.

TRANSFER TO RESERVES

Your Company proposes to transfer an amount of Rs. 190.75 Crores from the Debt redemption reserve, Rs. 11.18 Crores to the Special reserve and Rs. 21 Crores to the Income Tax Special reserve.

PUBLIC DEPOSITS

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

DETAILS OF SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANY

Your Company does not have any subsidiary/associates/joint venture company as on March 31, 2020.

RESERVE BANK OF INDIA (RBI) CLASSIFICATION

The Reserve Bank of India (RBI) has classified your Company as an ‘Asset Finance Company’ within the overall classification of ‘Non Banking Financial Institution’. However, pursuant to RBI circular on Harmonisation of different categories of NBFCs dated February 22, 2019, your Company is proposed to be classified as an ‘NBFC - Investment and Credit Company (NBFC-ICC)’.

SHARE CAPITAL

The Authorised Share Capital of your Company is Rs. 10,00,00,00,000/- (Rupees One Thousand Crore Only) divided into 50,00,00,000 Equity Shares of Rs. 10/- each and 5,00,00,000 Preference Shares of Rs. 100/- each and the paid-up Equity Share capital of your Company is Rs. 79,01,64,150 (Rupees Seventy Nine Crore One Lac Sixty Four Thousand One Hundred and Fifty only).

During the year under review, as per the provisions of the Business Transfer Agreement (BTA) executed between Srei Infrastructure Finance Limited (SIFL), holding company and your Company on August 16, 2019, your Company issued and allotted 1,93,56,415 Equity Shares of your Company of face value Rs. 10/- (Rupees Ten Only) each carrying a premium of Rs. 481 (Rupees Four Hundred Eighty One Only) to SIFL. Consequent to the issue and allotment of 1,93,56,415 Equity Shares of your Company to SIFL, the paid-up Equity share capital of your Company stands enhanced to Rs. 79,01,64,150 (Rupees Seventy Nine Crore One Lac Sixty Four Thousand One Hundred and Fifty only).

Presently, the entire paid-up Equity share capital of your Company is held by Srei Infrastructure Finance Limited alongwith their 6 (Six) nominees. There was no change in the Authorised Equity Share Capital of your Company during the year under review.

TRANSFER OF LENDING BUSINESS, INTEREST EARNING BUSINESS & LEASE BUSINESS OF SREI INFRASTRUCTURE FINANCE LIMTED (SIFL), THE HOLDING COMPANY TO YOUR COMPANY AS A GOING CONCERN ON SLUMP EXCHANGE BASIS

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

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

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

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

Further, pursuant to the Business Transfer Agreement ("the Agreement") your Company issued and allotted to SIFL, free and clear of all encumbrances, 1,93,56,415 (One Crore Ninety Three Lakhs Fifty Six Thousand Four Hundred and Fifteen only) Equity Shares of Face Value Rs. 10 (Rupees Ten) each ("Final Exchange Shares") carrying a premium of Rs. 481 (Rupees Four Hundred Eighty One Only) each as due and adequate consideration for the acquisition and/or purchase of the Transferred Undertaking as a going concern by way of slump exchange.

The requisite approvals pertaining to the slump exchange was received from the lead banker of the consortium and your Company is in the process of obtaining consents from other lenders. Further, Novation Deeds were executed with the Debenture Trustees of SIFL, namely, Catalyst Trusteeship Limited and Axis Trustee Services Limited on December 18, 2019 and January 14, 2020, respectively for novation/transfer of all rights and obligations arising out of the listed Non-Convertible Debentures ("NCDs") from SIFL to your Company. Approval from the Stock Exchanges i.e. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for novation/transfer of NCDs from SIFL to your Company was duly received on February 26, 2020. Accordingly, the novation/transfer of NCDs from SIFL to your Company has been completed.

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

PUBLIC ISSUE OF NON-CONVERTIBLE DEBENTURES (NCDs)

During the year under review, your Company had filed a Tranche 1 Prospectus dated August 09, 2019 for issuance of Secured Redeemable Non-Convertible Debentures (NCDs) pursuant to the Shelf Prospectus dated August 09, 2019 of face value of Rs 1,000 each for an amount upto Rs. 500 crores including an green shoe option of Rs. 400 crores, which was within the Shelf Limit of Rs. 1400 crores. Though the issue opened for subscription on August 19, 2019 and was scheduled to be closed on September 18, 2019, but due to revision in credit rating of the NCDs, your Company decided not to proceed with said issue further. Accordingly, all the Application moneys received from the investors were refunded or unblocked in accordance with the regulations.

Non-convertible Debentures (NCDs) have been transferred from Srei Infrastructure Finance Limited (SIFL) to your Company w.e.f. February 27, 2020, pursuant to Deeds of Novation and approval granted by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

a. Global Outlook

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

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

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

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

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

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

b. Indian Scenario

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

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

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

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

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

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

NBFCs IN INDIA

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

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

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

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

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

RBI allowed banks and NBFCs to extend their borrowers a 6-month moratorium on term loans in the backdrop of the start of a nation-wide lockdown Covid - 19 pandemic. RBI has allowed exclusion of payment moratorium period from the calculation of days past due for NPA recognition, provided financial institutions maintain a higher provision of 10 per cent on these accounts in Q4FY20 and Q1FY21.

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

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

BUSINESS OUTLOOK AND FUTURE PLANS

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

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

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

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

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

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

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

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

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

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

The NBFC sector had started to silently recover post the 2018 financial crisis from October, 2019. However, the national lockdown due to the Covid-19 pandemic stalled the recovery of the sector. While the infrastructure sector continues to enjoy the government's focus in the long term, the current fiscal is all about business continuity and stability for all businesses across all sectors including the construction equipment sector and the NBFC sector.

The business in first quarter of FY 2020-21 has been completely eroded due to the Covid-19 pandemic and the second quarter looks muted as well due to the upcoming monsoon season coupled with the labour shortages in the infrastructure sector. Demand is expected to pick up towards the second half of the year. CME industry is likely to witness a decline of 30 to 50 per cent in FY 2020-21.

While the above is the immediate outlook for the industry, the long term outlook continues to remain steady due to the government's focus on infrastructure development. The management of your Company is closely tracking these developments in order to source new business opportunities.

BUSINESS REVIEW

Your Company is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit taking NBFC and is one of the leading financiers in the Construction, Mining and allied Equipment (CME) sector in India. In addition to CME, your Company is also diversified into financing of tippers, IT and allied equipment, medical and allied equipment, farm equipment and other assets. The financial products and services comprise loans, for new and used equipment, and leases.

Infrastructure sector being a key driver for the Indian economy enjoys continued focus from government. It is estimated that India should invest $4.5 trillion in Infrastructure by 2030 to support faster growth. To achieve the GDP of $5 trillion by 2024-25, India needs to spend about $1.4 trillion (Rs. 100 lakh crore) over these years on infrastructure. The ambitious National Infrastructure Pipeline (NIP) of Rs 1.03 lakh crore to be spent over six years is a part of that attempt to invest $4.5 trillion. The NIP with focus on the transport sector and railways, will not only create jobs but will also boost productivity and efficiency of Indian businesses. The project creation is being backed by efforts to make infrastructure financing available. The Rs. 22,000 crores equity support to IIFCL and NIIF to create a funding pipeline of Rs. 103,000 lakh crores and granting 100 per cent exemption to interest, dividend and capital gains income of the Sovereign Wealth Funds in respect of investment made in infrastructure are very important initiatives for funding infrastructure creation.

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

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

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

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

As the liquidity was constrained in general across the NBFCs, there was a marked slowdown due to which there was a decline in disbursements. The disbursement for FY 2020 amounted to Rs. 9,555 crores compared to Rs. 13,681 crores in FY 2019. In FY 2020, while your Company's year-on-year total income increased by 16 per cent to Rs. 5,079 crores, the net profit declined by 82 per cent to Rs. 56 crores. This was primarily due to a 41 per cent y-o-y increase in finance cost and a 37 per cent y-o-y increase in cost of risk. The total Asset under Management (AUM) for FY 2020 was Rs. 42,512 crores. In this challenging environment, your Company has focused on diversifying the liability portfolio to enhance liquidity for future growth and is re-engineering the business model through multiple stake holder partnerships with an endeavour to make the model sustainable.

Since the forthcoming year is extremely uncertain due to the Covid-19 pandemic scenario, your Company will focus on sustenance and stabilization of its operations and then look for growth in FY 2022. In the forthcoming year, your Company would continue to leverage its growth opportunities through its latest capital light co-lending business model with both, public sector and the private sector banks which will enable your Company to access enhanced liquidity as well as allow your Company to collaborate and widen its market and customer base, thereby helping it maintain its strong market position. While banks will have access to your Company's strong customer relationships, OEM relationship and programs, domain expertise, risk prognosis tools arising out of three decades of experience and your Company's tested process and policies; it shall also offer customers a win-win scenario with access to affordable financial solutions and other banking products under one umbrella. This model will also enable your Company to maximize fee income and maintain cost efficiency, thereby helping it deliver improved performance matrices. The co-lending arrangement shall operate through a digital platform for loan origination, loan dues collection, auction of equipment, valuation of equipment and several other facilities. Meanwhile, your Company shall continue to conduct direct lending and leasing business activities with its SME and strategic customers. Your Company also plans to engage in third party leasing with a focus to increase its fee income without impacting its balance sheet. Further, your Company will remain focused on upgrading its existing IT capabilities with automated, digitized and other technologically-enabled platforms.

RESOURCES

The year under review, especially second half of the year, was very critical & challenging for the Treasury department of your Company. The Treasury team of your Company has done exceptionally well by maintaining sufficient liquidity to ensure timely repayment obligations and business continuity. The strong Asset Liability Management Policy of your Company and efficient management of available resources have helped to sail through the tsunami in the financial market during the second half of the last fiscal.

i. Loans from Banks

The domestic resource mobilization team (unit of Liability & Treasury Management Group) of your Company has been able to leverage its long & strong relationship with all the public & private sector banks and financial institutions operating in the Country. The tied-up Cash Credit limits of your Company stood at Rs. 10,661.12 crores from a consortium of banks.

During the year, no fresh Term facilities were raised from various domestic banks and financial institutions.

ii. Securitisation / Assignment of Loan Portfolio

Securitization / Assignment of receivables have been significant source of liquidity for your Company. During the year, your Company had securitised / assigned loans to the extent of Rs. 3,473.02 crores. Further, your Company has also assigned lease receivables aggregating to Rs. 316.77 crores during the year, in order to augment funds. The loan assets assigned have been de-recognized in the books of your Company as per extant RBI guidelines on securitization of standard assets and applicable accounting standards.

iii. Short Term Loans & Commercial Paper

The issuances of Commercial Papers (CPs) and availing Short term loans from banks by earmarking Cash credit limits, helps your Company to bring down the cost of working capital. During the year, your Company issued CPs to Mutual Funds, Banks and other investors and also raised short term loans from banks by earmarking of cash credit limits.

iv. International Borrowings:

In FY 2019-20, Foreign Currency loans to the equivalent of USD 10 (Ten) million amounting to Rs. 71.79 crores was drawn down. The cost of this loan including the hedge cost helped in bringing down the overall cost of funds. Your Company will look to raise resources in longer tenor External Commercial borrowings (ECBs) at competitive costs.

RISK MANAGEMENT

Management of risk remains an integral part of your Company's operations and it enables your Company to maintain high standards of asset quality at time of rapid growth of its lending business. The objectives of risk is to maintain robust asset quality alongside growth in business, optimal allocation of capital simultaneously with enhancement of shareholders' value and hedging against unforeseen events and macro-economic or environmental conditions.

Your Company has constituted a Risk Committee of the Board which meets every quarter to deal with such matter as may be referred to by the Board of Directors from time to time. Your Company has also designated a senior executive as Chief Risk Officer (CRO) pursuant to the provisions of Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 issued by RBI. Your Company's risk management strategy is based on a clear understanding of various risks, and adherence to well-laid out risk policies and procedures that are benchmarked with industry best practices. Your Company has a defined Risk policy for risk management which aims to put in place a robust risk management framework to help in achieving the objectives. The broad objective of the Committee is inter alia to:

a) To identify and assess various risks;

b) To strengthen the risk management practices and compliance framework to manage various risks across the Company;

c) To evaluate the effectiveness of mitigation strategies periodically to address material risks of the Company's operations and businesses;

d) To review any material findings and recommendations of the Risk Department; prescribe and monitor appropriate action to address the identified gaps.

Risk is managed through a framework of policies and principles approved by the Board of Directors supported by an independent risk function which ensures that your Company operates within a pre-defined risk contours. The risk management function strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks and put in place mitigants through change in policies and enhanced process controls.

Governance Structure

The risk strategy of your Company is enunciated and overseen by the Risk Committee of the Board (RCB), an independent Board level sub-committee that strives to put in place specific policies, frameworks and systems for effectively managing the various risks. Policies approved from time to time by the Board of Directors or the RCB in consultation with other sub-committees of the Board, viz. ALM & Treasury Committee (ALM) and Credit & Investment Committee, constitute the governing framework for various types of risk and business activities undertaken within this policy framework. Overall risk management is guided by well-defined procedures appropriate for the assessment and management of individual risk categories viz. credit risk, asset risk, treasury & market risk, operational risk, liquidity risk and counterparty risk supplemented by periodic validations of the methods used. Under the guidance of RCB, the Risk department is responsible for assessing and managing risks on a regular and dynamic basis. This entails, as an imperative, garnering adequate knowledge of macroeconomic trends, insights into dynamics of various sectors, understanding of regulatory environment and application of quantitative and qualitative tools facilitating an accurate assessment of risk at all times.

Credit Risk

Risk aims at mitigating the credit risk by client grading, developing scoring models, doing an industry analysis to which the client belongs, existing portfolio analysis, regional analysis, review of credit decision. The credit proposals are vetted to provide views on the future outlook of the sector/segment for short to medium term with particular emphasis on various geographies. The perspective of governmental support, regulatory issues, growth trend & demand potential, capital intensity & back-up, competition, recoverability of receivables, and other parameters impacting credit quality are analyzed to arrive at a risk aware and risk integrated decision. Your Company has strong a framework for the appraisal and execution of finance transactions that involves a detailed evaluation of technical, commercial, financial, marketing and management factors including sponsor’s financial strength and experience.

Asset Risk

As an asset financing NBFC, one of the key elements for assessing the underlying transaction risk is the intrinsic value of the asset being financed through the life of the financial facility extended. Risk department monitors the intrinsic value of assets being financed across the financing life cycle and suggests mitigation measures to counter balance the credit risk through value preservation of the asset being financed through the life cycle of the facility.

Portfolio Risk

The portfolio risk is assessed through various analytical tools to help in portfolio monitoring via reflection of trends, ratios, actual vs. budgeted etc. Various models are developed to understand the behavior pattern of the portfolio to mitigate the risk arising from the same. The patterns of the past data is analysed to determine the probability in the future. Your Company periodically reviews the impact of the stress scenarios resulting from rating downgrades or drop in the asset values in case of secured exposures on the portfolio. Your Company works within identified limits on exposure to borrower groups, industry sectors and geographies, and regularly tracks portfolio level concentrations. These limits are periodically reviewed based on changes in macro-economic environment, regulatory environment and industry dynamics. Existing credit exposure in the portfolio is continuously monitored and reviewed. Key sectors are analysed in details to suggest strategies considering both risks and opportunities. Corrective action is taken, wherever required, based on portfolio analysis and early warning signals.

Treasury Risk

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

Capital risk is generally defined as an enterprise's access to cash at any given time and balancing this with its efficient use. Your Company involves in assessing the overall cash flow position of your company on a monthly basis over a horizon of one year comprising maturity profile of all liabilities, amortization of credit portfolio and targeted disbursement. Thereafter, the net position is sensitized with lower collection rate, based on the prevailing trend & emerging scenario for various business verticals through scenario analysis.

Liquidity risk is two-dimensional: risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate assets in a timely manner at a reasonable price (asset dimension). Your Company’s Asset Liability Management Committee (ALCO) lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

Interest rate risk is the probability that variations in the interest rates will have a negative influence on the quality of a given financial instrument or portfolio, as well as on your Company’s condition as a whole. Interest rate risk is generally managed through floating rate mechanism by linking the lending rate of interest to your Company’s benchmark rate and is reviewed periodically with changes in your Company’s cost of funds. Your Company conducts stress testing at periodical intervals to monitor vulnerability towards unfavorable interest rate movements in line with regulatory guidelines.

Exchange rate risk management becomes necessary as your Company borrows money in foreign currency and lends in domestic currency. In order to optimize the cost of funds, your Company adopts effective hedging strategies considering the overall risk appetite of your Company. Your Company measures, monitors and controls exchange rate risk through statistical measures.

Operational Risk

Operational risk is defined as the risk of loss arising out of inadequate or failed internal processes, people and systems or from external events. Your Company has Standard Operating Procedures (SOPs) for the operating processes of your Company with dual control in all major processes. The key processes are tested for adequacy of controls at periodical intervals.

Your Company ensures that the anti money laundering procedures are implemented, effective and compliant with the latest statutory regulations. It involves in setting up of a consistent system throughout your Company, with an adequate level of formalization and traceability that will serve to provide management, the Board of Directors, and regulatory bodies with reasonable assurance of risk control.
In addition, to manage operational risk prudently, 'Know Your Customer (KYC) and 'Anti-Money Laundering (AML) Policy' are in place, which helps to prevent your Company from being used intentionally or unintentionally by criminal elements for money laundering.

IT Risk

A well -formulated Business Continuity Plan (BCP) is in place which ensures business continuity in unlikely event of disaster or disruption. Further to provide continued and uninterrupted service even during natural disasters, a Disaster Recovery (DR) site is also in place.

Your Company has evaluated its cyber-security risks and has put in place appropriate tools and processes for mitigation of such risks commensurate with its size and scale of operations and in line with regulatory guidelines.

Regulatory Risk

Your Company has a system based implementation and control management ensuring regulatory compliances. The system is designed to adapt to the changes in the regulatory environment to avoid breach of compliances and provide greater clarity and confidence around the regulatory risk framework and the ability to manage regulatory change. It involves understanding of both regulator expectations and business processes and challenges. It involves identification of process improvement opportunities to ensure the effective and consistent management of compliance and regulatory obligations.

Your Company also takes cognizance of the interplay of the risks enumerated above in addition to other risks which could have a bearing on the above risk factors, e.g. legal, reputational risks.

The recent pandemic related to Covid-19 may have significant impact on one or more of the risks enumerated above, particularly on Credit Risk, Portfolio Risk and Treasury Risk, the quantum of which cannot be ascertained at this point in time.

HUMAN RESOURCES ACTIVITIES

Your Company has been Great Place to Work Certified and for the first time has been recognized among India's Best Companies to Work For - 2020: Top 100. The Company’s Trust Index touched a score of 86 and Employee Perception scores have been impressive. This is a landmark achievement for your Company. Great Place to Work® Institute’s methodology has significant credibility, both for its rigor as well as objectivity in assessing workplaces. It is considered as the 'Gold Standard' of benchmarking great workplaces and we are proud to have been recognized among the Top 100 of India's Best Companies to Work For in 2020.

Your Company has continued to focus on talent and technology and has sought to leverage both of these critical elements to create process excellence in the year 2019-2020.

The organization witnessed considerable transformation in terms of the adoption of technology platforms to drive business growth. The Human Resource team was a significant contributor in building the understanding of skills required as well as in supporting the cascading of the new strategy through workshops.

E-learning and online sessions have continued to be leveraged as a significant pillar to support learning and development. Through effective deployment of e-learning your Company achieved a 95 per cent completion rate for all statutory and regulatory courses.

One of the key competencies that the Leadership Team focused on was Agility- the ability to "sprint". Action Learning Programmes were therefore introduced where small groups of emerging leaders- people from different teams came together for a week to solve a business problem. This led to a highly experiential and result- focused learning intervention, which also provided solutions for the organization.

Another focus in your Company has been the "Leaders Teach Club" and "Learning Labs" where business leaders teach workshops based on their area of expertise, gained over years of experience. This has been a powerful learning experience that has also helped to capture and preserve knowledge. It has also led to very focused interventions that directly address the needs of the business.

This year Srei group achieved the landmark of completing 30 years in existence. The Engagement Team within HR organized programmes throughout the year that marked the 30 year celebrations. These included events, town halls and camps organized for social causes. A very special initiative, "Super 30" was announced by the Leadership to mark the 30 Year Anniversary, whereby every employee was given 30 additional days of leave for the year.

In keeping with its credo of "Work with Devotion", your Company has continued to support the World Confluence of Spirituality, and has whole-heartedly participated in a multitude of social causes spearheaded by the SREI Foundation.

The Acquisition wing of HR launched the Portal Concept with the internal CV Database going online. This helped to streamline the processes related to talent acquisition.

The Sports Clubs in your Company have remained extremely active and have participated in various football, cricket and badminton matches at corporate sports events throughout the year.

The HR team has made significant efforts to connect with employees through continuous communication. Throughout the year, your Company has reached out to employees through various communication platforms, such as a live webcast on the occasion of Diwali, where the Chairman and Vice Chairman addressed all the employees and answered their questions.

The employee count of your Company stands at 1416 (One Thousand Four Hundred and Sixteen only) as on March 31, 2020.

INFORMATION TECHNOLOGY

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

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

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

INTERNAL CONTROL AND AUDIT

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

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

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

Your Company has a dedicated and independent Internal Audit Department reporting directly to the Audit Committee of the Board. The purpose, scope, authority and responsibility of the Internal Audit Department are delineated in the Audit Charter approved by the Audit Committee. Internal Audit Department influences and facilitates improvements in the control environment by constantly evaluating the risk management and internal control systems. Furthermore, the Audit Committee of your Company evaluates and reviews the adequacy and effectiveness of the internal control systems and suggests improvements. Significant deviations are brought to the notice of the Audit Committee and corrective measures are recommended for implementation. Based on the internal audit report, process owners undertake corrective action in their respective areas. All these measures help in maintaining a healthy internal control environment.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated a codified Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. The said Policy was last revised on February 12, 2020. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on https://www.srei.com/pdf/SEFL-Whistle-blower-policy.pdf.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company perceives Corporate Social Responsibility (CSR) as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy of your Company is embedded in its commitment to all stakeholders - consumers, employees, environment and society while your Company’s approach extends both to external community as well as to your Company’s large and diverse internal employee base & their families. Your Company’s sustainable approaches towards practicing humble service to Humanity on a sustainable basis, has enabled it to continue fulfilling its commitment to be a socially responsible corporate citizen.

The Corporate Social Responsibility (CSR) Committee constituted in terms of Section 135 of the Companies Act, 2013 (the Act) and the rules thereon is established with primary function of the Committee to undertake activities mandated by the Act. The Board of Directors of your Company, at its meeting held on May 17, 2019, reconstituted the Corporate Social Responsibility Committee consequent to cessation of Mr. Shyamalendu Chatterjee as a Member of the Committee and induction of Mr. Suresh Kumar Jain, Non-Executive & Independent Director as a Member of the Committee. The Committee presently comprises of Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Vice Chairman and Mr. Suresh Kumar Jain, Non-Executive & Independent Director as Members. Mr. Hemant Kanoria, Chairman of your Company acts as the Chairman of the Committee and the Company Secretary acts as the Secretary to the CSR Committee.

The CSR Committee of your Company has formulated a CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skills development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by the CSR Committee from time to time. The said Policy is available on https://www.srei.com/pdf/SEFL-Corporate-Social-Responsibility-Policy.pdf.

Recognising its social responsibility, your Company has supported Srei Foundation towards educating deserving and talented candidates through scholarships and grants, setting up of schools, colleges, medical and scientific research institutions by contributing Rs. 65,00,000/- (Rupees Sixty Five Lacs only) during the financial year 2019-20. Contributions to Srei Foundation qualify for deduction under Section 80G of the Income Tax Act, 1961.

Apart from Srei Foundation, your Company supported a variety of other charitable projects and social welfare activities also and contributed an aggregate sum of Rs. 2,74,21,065 (Rupees Two Crore Seventy Four Lacs Twenty One Thousand and Sixty Five Only) as CSR to several welfare and charitable organisations.

During the year under review, your Company spent an aggregate amount of Rs. 3,39,21,065/- (Rupees Three Crore Thirty Nine Lacs Twenty One Thousand and Sixty Five Only) towards CSR activities pursuant to CSR Policy of your Company. The manner in which the CSR amount was spent during the financial year is set out as an annexure to the Directors' Report and forms part of this Annual Report.

Your Company considers social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society. As a socially responsible organisation, your Company had spent the entire amount available for CSR spending during the FY 2018-19 and FY 2017-18. Your Company spends amount on projects keeping in mind sustainability, impact on the desired recipients and efficacy of implementing agencies. Considering the multi-year projects, total amount to be spent and the extent of due diligence to be performed, your Company is focusing on select projects to ensure maximum impact to the society. Your Company is committed to increase its CSR impact and spend over the coming years, with the aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. Your Company will endeavour to spend on CSR activities in accordance with the prescribed limit going forward, in the next financial year.

During the year under review, the CSR Committee met 3 (Three) times on May 17, 2019, August 05, 2019 and November 09, 2019.

WEBSITE

The website of your Company www.srei.com has been developed on the new responsive technology based platform known as 'Laravel', ensuring uniform display across all devices like mobile, tablet, desktop etc. and all the operating systems. The website has an inbuilt sophisticated and customized content management system for easy change in content. A simple, improved navigation system needs a lesser number of clicks to reach the information available in the different sections of the website. The contemporary and smart look of the website ensures a customer centric approach catering to the requirements of prospective customers, investors and employees. The website carries a comprehensive database of information of interest to the investors including the financial results, financial products, corporate codes and policies, corporate presentations, stock exchange intimation, media coverage, initial public offering related information and business activities of your Company and the services rendered by your Company. Some useful features like credit rating and active and mature NCDs, registrar point, NCDs touch points, draft prospectus for non-convertible debentures of your Company etc. The customers can also access their account and download the essential documents directly from the website. The links to different social media i.e. Facebook, YouTube, Twitter, LinkedIn has been embedded in the home page of the website to get access of the key initiatives and achievements of your Company.

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

There is no such material change and commitment affecting the financial position of your Company which has occurred between the end of the financial year of your Company to which the financial statements relate and the date of the Report.

During the year under review, the lending business, interest earning business & lease business of Srei Infrastructure Finance Limited (SIFL), the holding company, was transferred as a going concern through a business transfer agreement and the impact of the same has been given in the books of accounts and corresponding notes to accounts of your Company.

KEY MANAGERIAL PERSONNEL (KMPs)

During the year under review, Mr. Debashis Ghosh, Mr. Rajdeep Khullar and Mr. Pulak Bagchi ceased to be Additional KMPs of your Company w.e.f. May 17, 2019.

However, Mr. Pulak Bagchi, General Counsel was again designated as Key Managerial Personnel (KMP) w.e.f. November 09, 2019 pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 (‘Act’) and rules made thereunder.

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

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Sunil Kanoria	Vice Chairman
Mr. Devendra Kumar Vyas	Managing Director
Mr. Manoj Kumar Beriwala	Chief Financial Officer
Ms. Ritu Bhojak	Company Secretary
Mr. Indranil Sengupta	Chief Risk Officer
Mr. Pulak Bagchi*	General Counsel
Mr. Pavan Trivedi	Chief of Operations

*Ceased to be KMP w.e.f. 17.05.2019, further re-designated as KMP w.e.f. 09.11.2019

The tenure of Mr. Indranil Sengupta as the Chief Risk Officer (CRO), being an Additional KMP, expired on June 30, 2020. Subsequently, the list of Additional KMPs has been revised w.e.f. July 01, 2020.

None of the KMPs hold any shares/Non-Convertible Debentures (NCDs) of your Company except Mr. Hemant Kanoria, Mr. Sunil Kanoria and Mr. Manoj Kumar Beriwala who hold 1 (one) share each of your Company as nominees of Srei Infrastructure Finance Limited (SIFL), holding company.

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

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

During the year under review, the total foreign exchange expenditure of your Company was Rs. 26,634 lacs (previous year Rs. 13,957 lacs) and has not earned any foreign exchange (Previous Year - Nil).

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

Your Company transferred a sum of Rs. 1,49,696 (Rupees One Lac Forty Nine Thousand Six Hundred Ninety Six only) to IEPF, being the unpaid amount of Interest on Application money on Non-Convertible Debentures (NCDs) due for refund, as provided in Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules).

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

MEETINGS OF THE BOARD

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

8 (Eight) Board meetings were held during the year 2019-20 on May 17, 2019, June 17, 2019, July 04, 2019, August 05, 2019, November 09, 2019, December 31, 2019, February 12, 2020 and March 23, 2020. The maximum time gap between any two consecutive meetings did not exceed 120 (one hundred and twenty) days.

DIRECTORS

During the year under review, Mr. Shyamalendu Chatterjee and Ms. Supriya Prakash Sen resigned as Directors of your Company w.e.f. May 17, 2019 in terms of Section 168 of the Companies Act, 2013 due to personal pre-occupations.

Further, the Board of Directors of your Company appointed Mr. Devendra Kumar Vyas (DIN: 00651362), as an Additional Director (Category – Executive Director) of your Company with effect from February 01, 2019 to hold office as such upto the date of 13th Annual General Meeting (AGM) of your Company. Mr. Devendra Kumar Vyas (DIN: 00651362) was also appointed as Managing Director of your Company for a period of 5 (five) years w.e.f February 01, 2019, liable to retire by rotation, based on the recommendation of the Nomination and Remuneration Committee of your Company and approval of Members at the 13th AGM of your Company held on June 20, 2019.

Further, Mr. Hemant Kanoria (DIN: 00193015) was appointed as the Chairman and Managing Director (CMD) at the 12th AGM of the Company held on May 10, 2018 for a period of 5 (five) years w.e.f. 1st November, 2018 and thereafter was appointed as the Chairman, in whole time capacity, at the 13th (Thirteenth) AGM of the Company held on June 20, 2019 for the remaining period of his appointment i.e. till 31st October, 2023.

Further, the Members of your Company approved the appointment of Mr. Ashwani Kumar (DIN: 02870681) as an Independent Director of your Company to hold office for a period of 5 (five) consecutive years from the date of the 13th (Thirteenth) AGM of your Company held on June 20, 2019.

Dr. (Mrs.) Tamali Sengupta (DIN: 00358658) was appointed as an Independent Director of your Company, not liable to retirement by rotation, for a second term of 5 (five) consecutive years w.e.f. August 13, 2019. Her first term ended on October 25, 2017.

Further, Mr. Uma Shankar Paliwal (DIN: 06907963) was appointed as an Independent Director of your Company, not liable to retirement by rotation, for a term of 5 (five) consecutive years w.e.f. February 12, 2020.

Further, Mr. Shyamalendu Chatterjee (DIN: 00048249) was again appointed as an Independent Director of your Company, not liable to retirement by rotation, for a second term of 5 (five) consecutive years w.e.f. April 02, 2020.

Further, the Board of Directors of your Company appointed Mr. Indranil Sengupta (DIN: 08807005), as an Additional Director (Category – Executive Director) of your Company with effect from August 01, 2020 to hold office as such upto the date of the 14th (Fourteenth) Annual General Meeting (AGM) of your Company. Mr. Indranil Sengupta was also appointed as a Whole-time Director of your Company, liable to retirement by rotation, for a period of 1 (one) year from August 01, 2020 till July 31, 2021, based on the recommendation of the Nomination and Remuneration Committee and subject to approval of Members at the 14th Annual General Meeting (AGM) of your Company.

Further, pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2019 effective from December 01, 2019, all the Independent Directors of your Company have registered themselves with the Data bank maintained by the Indian Institute of Corporate Affairs (IICA). A declaration to this effect has been obtained from all the Independent Directors and the same was placed before the Board of Directors. Further, the Independent Directors of your Company have also furnished declarations w.r.t. Online Proficiency Self Assessment Test for Independent Director’s Databank conducted by the IICA. Based on the declarations received, it was noted that Mr. Shyamalendu Chatterjee is exempted from undertaking the Online Proficiency Self Assessment Test. Further, Mr. Suresh Kumar Jain, Dr. (Mrs.) Tamali Sengupta, Mr. Uma Shankar Paliwal and Mr. Ashwani Kumar have successfully qualified the test.

The Board in of the opinion that the Independent Directors possess the requisite expertise, experience and proficiency in their field and are the persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

In accordance with the provisions of Section 152 of the Companies Act, 2013 (Act) and the relevant Rules and your Company’s Articles of Association, Mr. Hemant Kanoria (DIN: 00193015), Chairman retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

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

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in

Section 149(6) of the Companies Act, 2013. All requisite declarations were placed before the Board.

In terms of the provisions of Section 197 of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013, your Company is required to obtain the approval of the Members by way of a Special Resolution for payment of remuneration to Managerial Personnel beyond the limits prescribed thereunder. Your Company has therefore proposed obtaining approval of the Members by way of Special Resolution at the ensuing 14th Annual General Meeting (AGM) of your Company for waiver of excess managerial remuneration paid to Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Vice Chairman and Mr. Devendra Kumar Vyas, Managing Director for the Financial Year 2019-20.Further, it is possible that there could be a situation of absence or inadequacy of profit computed in the manner prescribed under Section 198 read with Section 197 of the Companies Act, 2013 in subsequent Financial Years also. Therefore, in addition to the Financial Year 2019-20, your Company has also sought approval for 2 (two) more years, i.e, for Financial Years 2020-21 and 2021-22.

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

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

Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman (Executive Directors) of your Company, are also the Chairman and Vice Chairman (Non Executive), respectively, of Srei Infrastructure Finance Limited (SIFL), the holding company of your Company and are in receipt of remuneration during the Financial Year 2019-20 from SIFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)
Hemant Kanoria	246.60
Sunil Kanoria	10.50*

*Remuneration paid by way of sitting fees

Dr. (Mrs.) Tamali Sengupta and Mr. Shyamalendu Chatterjee, Independent Directors of your Company, are Independent Directors of Srei Infrastructure Finance Limited (SIFL), holding company of your Company and are in receipt of remuneration during the Financial Year 2019-20 from SIFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)*
Tamali Sengupta	5.25
Shyamalendu Chatterjee	10.70

*Remuneration paid by way of sitting fees

AUDIT COMMITTEE

The Audit Committee of your Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The Board of Directors of your Company, at its meeting held on May 17, 2019, reconstituted the Audit Committee, consequent to the cessation of Mr. Shyamalendu Chatterjee and Ms. Supriya Prakash Sen, Independent Directors as Directors of your Company and induction of Mr. Suresh Kumar Jain, Independent Director as a Member and Chairman of the Committee. The terms of reference of the Committee was last revised on May 17, 2019.The Committee presently comprises Mr. Suresh Kumar Jain and Mr. Ashwani Kumar, Independent Directors and Mr. Sunil Kanoria, Vice Chairman as Members. Mr. Suresh Kumar Jain, Independent Director of your Company is the Chairman of the Audit Committee. The Company Secretary of your Company acts as the Secretary to the Audit Committee.

7 (Seven) meetings of the Audit Committee were held during the year 2019-20 on May 17, 2019, June 17, 2019, July 04, 2019, August 05, 2019, November 09, 2019, February 12, 2020 and March 23, 2020. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

During the year under review, there were no such instances wherein the Board had not accepted any recommendation of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013. The Board of Directors of your Company, at its meeting held on May 17, 2019, reconstituted the Nomination & Remuneration Committee, consequent to the cessation of Mr. Shyamalendu Chatterjee and Ms. Supriya Prakash Sen, Independent Directors as Directors of your Company and Mr. Hemant Kanoria, Chairman of your Company as Member of the Nomination & Remuneration Committee. Further Mr. Ashwani Kumar, Independent Director of your Company was inducted as a Member and Chairman of the said Committee. Further, the Board of Directors of your Company vide a resolution by circulation dated August 13, 2019, reconstituted the Nomination & Remuneration Committee, consequent to the induction of Dr. (Mrs.) Tamali Sengupta, Independent Director as a Member of the Committee. The Committee presently comprises Mr. Ashwani Kumar, Mr. Suresh Kumar Jain and Dr. (Mrs.) Tamali Sengupta, Independent Directors as Members. Mr. Ashwani Kumar, Independent Director of your Company is the Chairman of the Nomination and Remuneration Committee. The Company Secretary of your Company acts as the Secretary to the Nomination and Remuneration Committee.

3 (Three) meetings of the Nomination and Remuneration Committee of your Company were held during the year 2019-20 on May 17, 2019, November 09, 2019 and February 12, 2020. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The Committee has formulated the Nomination and Remuneration Policy (‘SEFL Nomination and Remuneration Policy’) which broadly lays down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability, and covers the procedure for selection, appointment and compensation structure of the Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy was last revised on November 09, 2019. The said Policy is available on https://www.srei.com/pdf/SEFL-Nomination-and-Remuneration-Policy.pdf.

The Nomination and Remuneration Committee ensures fit and proper status of proposed / existing directors as per the Policy on "Fit and Proper" criteria of the Directors of your Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors of your Company have constituted a Stakeholders Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The Board of Directors of your Company, at its meeting held on May 17, 2019, reconstituted the Stakeholders Relationship Committee, consequent to the cessation of Mr. Shyamalendu Chatterjee, Independent Director and Mr. Hemant Kanoria, Chairman of your Company relinquishing their post as Members of the Committee and induction of Mr. Suresh Kumar Jain, Independent Director as a Member and Chairman of the Committee and Mr. Devendra Kumar Vyas, Managing Director as Members of the Committee. The Committee presently comprises of Mr. Sunil Kanoria, Vice Chairman, Mr. Suresh Kumar Jain, Independent Director and Mr. Devendra Kumar Vyas, Managing Director as Members. Mr. Suresh Kumar Jain, Independent Director of your Company is the Chairman of the Stakeholders Relationship Committee. The Company Secretary of your Company acts as the Secretary to the Stakeholders Relationship Committee.

5 (Five) meetings of the Stakeholders Relationship Committee were held during the year 2019-20 on April 30, 2019, July 20, 2019, August 05, 2019, November 09, 2019 and February 12, 2020.

The Committee oversees and reviews redressal of security holders and investor grievances, deals with matters relating to Srei Equipment Finance Limited Code of Conduct for Prohibition of Insider Trading (SEFL Insider Code) framed in line with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND YOUR COMPANY'S OPERATIONS IN FUTURE

There are no such orders passed by the regulators / courts / tribunals impacting the going concern status and your Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for the year;

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

(iv) they have prepared the annual accounts for the year ended March 31, 2020 on a going concern basis;

(v) they have laid down internal financial controls to be followed by your Company and that such internal controls are adequate and are operating effectively;

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

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

AUDITORS

At the 8th (Eighth) Annual General Meeting (AGM) of your Company held on 1st July, 2014, Messrs Deloitte Haskins & Sells, Chartered Accountants having registration No. 302009E allotted by The Institute of Chartered Accountants of India were appointed as the Statutory Auditors of your Company to hold office for a term of 5 (Five) years from the conclusion of 8th (Eighth) AGM till the conclusion of the 13th (Thirteenth) AGM of your Company. Accordingly, Messrs Deloitte Haskins & Sells, retired as Auditors of your Company at the conclusion of the 13th Annual General Meeting (AGM) of your Company.

At the 13th (Thirteenth) Annual General Meeting (AGM) of your Company held on 20th June, 2019, Messrs G. P. Agrawal & Co., Chartered Accountants having registration no. 302082E allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as the Statutory Auditors of your Company in place of the retiring auditors, Messrs Deloitte Haskins & Sells, Chartered Accountants, to hold office for a term of 5 (Five) years from the conclusion of 13th (Thirteenth) AGM till the conclusion of the 18th (Eighteenth) AGM of your Company. However, Messrs G. P. Agrawal & Co., Chartered Accountants thereafter expressed their inability to continue as the Statutory Auditor of your Company w.e.f 10th November, 2019 since after the acquisition of the business of Srei Infrastructure Finance Limited (Holding Company of your Company) w.e.f. 1st October, 2019 pursuant to a Business Transfer Agreement dated 16th August, 2019, there would be significant increase in the audit work requiring substantially higher manpower and partners' time for the audit but the strength of their audit team were not adequate to take up such increased work load. The detailed information of such resignation vide SEBI Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019 was furnished by Messrs G. P. Agrawal & Co., Chartered Accountants.

Accordingly, M/s L. B. Jha & Co., Chartered Accountants, having Firm Registration No. 301088E allotted by The Institute of Chartered Accountants of India (ICAI) was appointed as Statutory Auditors of your Company to fill in the casual vacancy as envisaged by Section 139(8) of the Companies Act, 2013, to hold office in terms of Section 139 of the Companies Act, 2013 read together with the relevant rules thereto w.e.f. 10th November, 2019, subject to approval of the shareholders of your Company. Your Company had received a confirmation from M/s L. B. Jha & Co., Chartered Accountants, to this effect that their appointment, was within the limits prescribed under Section 139 of the Companies Act, 2013 and the rules framed thereunder and in accordance with Section 141 of the Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate. At the Extra-ordinary general Meeting (EGM) of your Company held on November 27, 2019, M/s L. B. Jha & Co., Chartered Accountants, were appointed as the Statutory Auditors of your Company to hold office from 10th November, 2019 till the conclusion of the 14th (fourteenth) Annual General Meeting of your Company.

Further, looking at the increased size and scale of operations of your Company, M/s. Haribhakti & Co. LLP, having Firm Registration No. 103523W/W100048 allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as the Joint Statutory Auditors in addition to the existing Statutory Auditors of your Company to hold office in terms of Section 139 of the Companies Act, 2013 and the rules framed thereunder and in accordance with Section 141 of the Companies Act, 2013 w.e.f. March 23, 2020 till the conclusion of the ensuing 14th Annual General Meeting of your Company. At the Extra-ordinary general Meeting of your Company held on March 26, 2020, M/s. Haribhakti & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of your Company to hold office till the conclusion of the 14th (fourteenth) Annual General Meeting of your Company.

The Audit Committee and the Board of Directors of your Company recommend the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W/W100048 allotted by The ICAI as the Joint Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of 14th (Fourteenth) Annual General Meeting till the conclusion of the 19th (Nineteenth) Annual General Meeting of the Company.

M/s. Haribhakti & Co. LLP, Chartered Accountants meets the eligibility, qualifications and other requirements of the Auditors as specified in the Companies Act, 2013 and a certificate to this effect has also been furnished by them along with their consent to hold office as the Statutory Auditors of the Company. Further, M/s. Haribhakti & Co. LLP, Chartered Accountants have also provided a certificate to the effect that their appointment as the Statutory Auditors of the Company, if made, would be within the limit prescribed under Section 141 of the Companies Act, 2013 and further that they are not disqualified to be appointed as the Statutory Auditors in terms of Sections 139 and 141 of the Act. M/s. Haribhakti & Co. LLP, Chartered Accountants, have also furnished the peer review certificate issued to them by The Institute of Chartered Accountants of India (ICAI).

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

SECRETARIAL AUDIT REPORT

Your Company appointed Mr. Mohan Ram Goenka, Practising Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. FCS 4515; Certificate of Practice No. 2551) as the Secretarial Auditor of your Company for the financial year 2019-20 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report confirms that your Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, The Foreign Exchange Management Act, 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India

(Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)), SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities Contracts (Regulation) Act, 1956, all the Regulations and Guidelines of SEBI as applicable to your Company, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

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

CORPORATE POLICIES

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

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions of your Company are entered in the ordinary course of business and conducted on arm's length basis wherever applicable and on commercially reasonable terms and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the financial year 2019-20. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and your Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements and liquidity.

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

In terms of Section 177 of the Companies Act, 2013, your Company obtained approval of the Audit Committee for entering into any transaction with related parties as applicable. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

A Related Party Policy has been formulated by your Company for determining the materiality of transactions with related parties and dealings with them. The said Policy was last revised on February 12, 2020. The said Policy is available on https://www.srei.com/pdf/SEFL-Related-Party-Transactions-(RPTs)-Policy.pdf.

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

PARTICULARS OF EMPLOYEES

The prescribed particulars of remuneration of employees pursuant to Section 197(12) read with

Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as an annexure to the Directors' Report and forms a part of this Annual Report.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return as on the financial year ended on March 31, 2020 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is set out as an annexure to the Directors' Report and forms part of this Annual Report. Further, the Annual Report of your Company can be accessed at https://www.srei.com/sefl-financial-reports.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PERFORMANCE EVALUATION

The Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors, Chairman, Managing Director and Executive Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 covers inter-alia the following parameters namely:

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

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

iii) Individual Director Evaluation (including Independent Directors, Chairman, Managing Director and Executive Directors) - Attendance, contribution at Board Meetings, guidance/support to management outside Board/Committee meetings, etc.

Further, the Chairman is additionally evaluated on key aspects of the role which includes inter-alia effective leadership to the Board, adequate guidance to the CEO/ Managing Director (MD), appropriate capacity to listen and ability to synthesize discussion and divergent views to lead to consensus. Independent Directors are additionally evaluated based on their independence from the management, knowledge and diligence and ethics.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee (NRC) and Corporate Social Responsibility Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and the above mentioned Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI. The said questionnaire was circulated to the Directors and also made available to the Directors on their I-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2019-20 on the broad parameters as laid down by the NRC.

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

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

Further, the Independent Directors hold unanimous opinion that the Non-Independent Directors as well as the Chairman bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of your Company.

The Board as a whole is an integrated, balanced and cohesive unit where different perspective and diverse views are expressed and discussed when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairman has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between your Company's Management and the Board is complete, timely with good quality and sufficient quantity.

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

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

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

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

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

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise
- Issue of sweat equity shares
- Your Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees
- There was no revision in the Financial Statements
- There was no change in the nature of business
- Maintenance of Cost records is not applicable to your Company.

AWARDS AND RECOGNITION

During the year under review, your Company received the following awards and recognitions –

- CIA World's Builders and Building Materials Awards, 2020 – Best Company in Construction Equipment Finance – March, 2020
- Great Place to Work-Certified™ by Great Place to Work Institute, 2019-20 – received for the period of March, 2019 to February, 2020.
- Great Place to Work-Certified™ by Great Place to Work Institute, 2020-21 – received for the period of March, 2020 to February, 2021.
- Your Company's name featured in India's top 100 employers by the Economic Times.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the excellent support and co-operation received from its shareholders, Srei Infrastructure Finance Limited, the Financial Institutions, Banks, Central & State Government Authorities, RBI, SEBI, MCA, Stock Exchanges, Depositories, Credit Rating Agencies, Customers, Manufacturers, Vendors, Suppliers, Business Associates, Debenture holders, Debenture Trustees and other Stakeholders during the year under review. Your Directors also place on record their deep appreciation for the valuable contribution of the employees for the progress of your Company during the year and look forward to their continued co-operation in realization of the corporate goals in the years ahead.

On behalf of the Board of Directors

Sd/-

Place : Kolkata
Date : July 27, 2020

Hemant Kanoria
Chairman
DIN: 00193015

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2019-20

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR activities at Srei Equipment Finance Limited are carried out in multiple ways:

a. Independently
b. Jointly with Srei Foundation, Srihari Global IISD Foundation (erstwhile IISD Edu World), Acid Survivors and Women Welfare Foundation
c. In partnership with external social bodies / NGOs.

Our activities are carried out along the following thrust areas:

a. Education and Skills Development:
Supporting education institutions and providing opportunities to deserving students (from marginalized sections of society) through various channels.

b. Healthcare / Medical facilities:
Ensure and promote a culture of healthy workforce by creating awareness and raising consciousness among people.

c. Social and Economic Welfare:
Support the cause of building social institutions by advancing financial grant towards construction of houses, girl marriage, and other social essentialities to the underserved.

d. Environmental Sustainability:
Raise consciousness towards building a healthy environment among the stakeholders and community at large.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is:https://www.srei.com/pdf/SEFL-Corporate-Social-Responsibility-Policy.pdf.

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

2. The Composition of the CSR Committee

<u>Committee Members:</u>

- Mr. Hemant Kanoria, Chairman (Chairman)
- Mr. Sunil Kanoria, Vice Chairman
- Mr. Suresh Kumar Jain, Non-Executive and Independent Director

Secretary (Non-Member):
- Ms. Ritu Bhojak

3. Average net profit of the company for last three financial years
Rs. 3,89,07,78,537/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
Rs. 7,78,15,571/-

5. Details of CSR spent during the financial year

a. Total amount to be spent for the Financial Year: The Company has spent Rs. Rs. 3,39,21,065/- against the mandated requirement of Rs. 7,78,15,571/-

b. Amount unspent, if any: Rs. 4,38,94,506/-

c. Manner in which the amount spent during the financial year is detailed below:

(Amount in Rs.)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period*	Amount spent: Direct or through implementing agency
1.	Promoting Healthcare education, animal welfare and helping in social upliftment	Cl.(i) Promoting Healthcare Cl.(ii) Promoting education, Cl.(iii) Promoting gender equality, empowering women Cl.(iv) Promoting environmental sustainability, ecological balance, animal welfare, agroforestry.	Kolkata, West Bengal Chennai, Kanchipuram, Tamil Nadu, Delhi, Chandigarh Bhopal, Madhya Pradesh, Guntur, Andhra Pradesh Kozhikode (Kerala) Kanpur, Uttar Pradesh Jamtara, Jharkhand, Aurangabad, Bihar	65,00,000	65,00,000	11,25,00,000	Srei Foundation**
2.	S.V.S Marwari Hospital	Cl.(i) Promoting Healthcare	Kolkata, West Bengal	21,000	21,000	1,20,000	Direct
3.	Acid Survivors Foundation India	Cl.(i) Promoting Healthcare	Kolkata, West Bengal	40,00,000	40,00,000	85,00,000	Direct
4.	Promoting	Cl.(ii)	Kolkata, West	1,40,00,000	1,40,00,000	3,35,08,000	Srihari Global

(Amount in Rs.)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period*	Amount spent: Direct or through implementing agency
	Education	Promoting Education	Bengal Barahiya, Bihar				IISD Foundation (erstwhile IISD Edu World)#
5.	People For Animals	Cl.(iv) Promoting animal welfare	Kolkata, West Bengal	2,50,000	2,50,000	2,50,000	Direct
6.	The Agri-Horticultural Society of India	Cl.(iv) Ensuring environmental sustainability, ecological balance, protection of flora	Kolkata, West Bengal	18,33,200	18,33,200	18,33,200	Direct
7.	Animal Welfare	Cl.(iv) Promoting animal welfare, agroforestry.	Kolkata, West Bengal	9,25,000	9,25,000	9,25,000	Sonata Foundation##
8.	Suryodaya Foundation	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women	Kolkata, West Bengal Birati, West Bengal	50,00,000	50,00,000	50,00,000	Direct
9.	Roti Foundation	Cl (i) Eradicating hunger	Mumbai, Maharashtra	5,44,825	5,44,825	5,44,825	Direct
10.	Indian Institute of Cerebral Palsy (IICP)	Cl.(ii) Promoting Education	Kolkata, West Bengal	8,00,000	8,00,000	48,00,000	Direct
11.	Mahavir Cancer Hospital	Cl.(i) Promoting Healthcare	Kolkata, West Bengal	47,040	47,040	47,040	Direct
	TOTAL			**3,39,21,065**	**3,39,21,065**	**16,80,28,065**	

* The amount of cumulative expenditure made by the Company on all CSR projects so far is Rs. 18,01,09,065.

**Srei Foundation is a Public Charitable Trust established with an objective of serving the humanity inter-alia through promotion of education, health, housing, socio-economic support and awakening of women, free holistic treatment and assistance to various NGOs in their respective fields. Srei Foundation has an established track record of more than 3 (three) years in undertaking such projects and programs.

#Srihari Global IISD Foundation (erstwhile IISD Edu World), is a Section 8 Company formed with the object of imparting, promoting and spreading education for underprivileged children and weaker sections of the society. IISD Edu World has an established track record of more than 3 (three) years in undertaking such projects and programs.
Sonata Foundation is registered as a Society under Societies Act XXVI of 1961 working on key issues of animal husbandry, dairying & fisheries, aged/elderly, agriculture, art & culture, environment & forests, amongst others. Sonata Foundation has an established track record of more than 3 (three) years in undertaking such projects and programs.

6. Reasons for not spending the two per cent of the average net profit of the last three financial years

The Company considers social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society. As a socially responsible organisation, the Company had spent the entire amount available for CSR spending during the FY 2018-19 and FY 2017-18. The Company spends amount on projects keeping in mind sustainability, impact on the desired recipients and efficacy of implementing agencies. Considering the multi-year projects, total amount to be spent and the extent of due diligence to be performed, the Company is focusing on select projects to ensure maximum impact to society. The Company is committed to increase its CSR impact and spend over the coming years, with the aim of playing a larger role in India’s sustainable development by embedding wider economic, social and environmental objectives. The Company will endeavour to spend on CSR activities in accordance with the prescribed limit going forward, in the next financial year.

7. Responsibility statement of the CSR Committee

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of Corporate Social Responsibility Committee

	Sd/-	Sd/-
	Hemant Kanoria	**Sunil Kanoria**
Place: Kolkata	DIN: 00193015	DIN: 00421564
Date: July 27,2020	Chairman – CSR Committee	Vice Chairman

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U70101WB2006PLC109898
ii.	Registration Date	13th June, 2006
iii.	Name of the Company	Srei Equipment Finance Limited
iv.	Category/Sub-Category of the Company	Public Company limited by Shares
v.	Address of the Registered office and contact details	"Vishwakarma", 86C, Topsia Road (South), Kolkata 700-046 Email: sefpl@srei.com Telephone no: 91-33 -6160 -7734 Fax no : 91-33-2285-7542
vi.	Whether listed company (Yes/No)	Yes (Debt securities)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	a) For Equity shares and Public Issue of Non-Convertible Debentures of the Company: KFin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) Karvy Selenium, Tower- B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, 500032 Email: einward.ris@karvy.com Tel: 040-67161500 / 2222, 1800-345-4001 Fax no: 040-23420814 b) For Non-Convertible Debentures issued on Private Placement basis: S. K. Infosolutions Private Limited 34/1A Sudhir Chatterjee Road Kolkata - 700 006 Tel : +91-33-2219 4815 Fax: +91-33-2219 4815 E-Mail: skcdilip@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:-

Sl. No	Name and Description of main Products/ Services	NIC Code of the Product/ service*	% to total turnover of the Company**
1.	Other financial service activities, except in insurance and pension funding activities	649	99.6

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shareholding	Applicable Section
1	Srei Infrastructure Finance Limited (SIFL) 'Vishwakarma', 86C Topsia Road (South), Kolkata - 700 046	L29219WB1985PLC055352	Holding	100*	2(46)

**Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Manoj Kumar Beriwala, Mr. Shashi Bhushan Tiwari, Mr. Ganesh Prasad Bagree and Mr. Sandeep Lakhotia hold 1 (one) equity share each as nominees of SIFL.*

Your Company does not have any subsidiary/associates/joint venture company as on March 31, 2020.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares#	Demat	Physical	Total	% of Total Shares#	
A. Promoters (1) **Indian**									
a)Individual/HUF	6*	-	6	0	6**	-	6	0	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	59659994	-	59659994	100.00	79016409	-	79016409	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**59660000**	**-**	**59660000**	**100.00**	**79016415**	**-**	**79016415**	**100.00**	**-**
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**59660000**	**-**	**59660000**	**100.00**	**79016415**	**-**	**79016415**	**100.00**	**-**
B. **Public Shareholding**	-	-	-	-	-	-	-	-	-
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.**Non-Institutions**	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total (B)(2):-**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**59660000**	**-**	**59660000**	**100.00**	**79016415**	**-**	**79016415**	**100.00**	**-**

* Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Sanjeev Sancheti, Mr. Shashi Bhushan Tiwari, Mr. Ganesh Prasad Bagree and Mr. Sandeep Lakhotia hold 1 (one) equity share each as nominees of Srei Infrastructure Finance Limited (SIFL).
**Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Manoj Kumar Beriwala, Mr. Shashi Bhushan Tiwari, Mr. Ganesh Prasad Bagree and Mr. Sandeep Lakhotia hold 1 (one) equity share each as nominees of Srei Infrastructure Finance Limited (SIFL).
#Figure rounded off

ii) Shareholding of Promoters

Sl No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			
		No. of Shares	**% of total Shares of the company**	**% of Shares Pledged / Encumbered to total Shares**	**No. of Shares**	**% of total Shares of the company**	**% of Shares Pledged / Encumbered to total shares**	**% change in share holding during the year**
1	Srei Infrastructure Finance Limited (SIFL)	5,96,60,000*	100.00	0	7,90,16,415 *	100.00	0	0
	Total	**5,96,60,000***	**100.00**	**0**	**7,90,16,415 ***	**100.00**	**0**	**0**

*1 (One) share each held by the 6 (Six) nominees of SIFL

iii) Change in Promoters' Shareholding

Sl No.	**Name**	**Shareholding at the beginning of the year (as on 01.04.2019)**		**Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	**Srei Infrastructure Finance Limited (SIFL) (Promoter)**				
	At the beginning of the year	5,96,60,000*	100.00	7,90,16,415*	100.00
	Date wise increase/decrease in Promoters' Shareholding during the year specifying the	Increase in shareholding w.e.f. 31st December, 2019 pursuant to issuance of 1,93,56,415 equity shares of face value Rs. 10/-			

Sl No.	Name	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	reasons for increase/decrease	each carrying a premium of Rs. 481 as per Business Transfer Agreement (BTA).			
	At the end of the year	5,96,60,000*	100.00	7,90,16,415*	100.00

*1 (One) share each held by the 6 (Six) nominees of SIFL

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

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sanjeev Sancheti*	1	Negligible	0	Negligible
2.	Shashi Bhushan Tiwari*	1	Negligible	1	Negligible
3.	Ganesh Prasad Bagree*	1	Negligible	1	Negligible
4.	Sandeep Lakhotia*	1	Negligible	1	Negligible
5.	Manoj Kumar Beriwala*	0	Negligible	1	Negligible

*As a nominee of Srei Infrastructure Finance Limited (SIFL)

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

SI. No.	For Each of the Directors and Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1.	**Mr. Hemant Kanoria**				
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	1	Negligible	1	Negligible
2.	**Mr. Sunil Kanoria**				
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	1	Negligible	1	Negligible
3.	**Mr. Devendra Kumar Vyas**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
4.	**Mr. Suresh Kumar Jain**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			

SI. No.	For Each of the Directors and Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year	-	-	-	-
5.	**Mr. Ashwani Kumar**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
6.	**Dr. (Mrs.) Tamali Sengupta***				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
7.	**Mr. Uma Shankar Paliwal#**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
	Key Managerial Personnel (KMP)				
1.	**Mr. Hemant Kanoria – Chairman**				
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	1	Negligible	1	Negligible
2.	**Mr. Sunil Kanoria – Vice Chairman**				
	At the beginning of the year	1	Negligible	1	Negligible
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	1	Negligible	1	Negligible
3.	**Mr. Devendra Kumar Vyas – Managing Director**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
4.	**Mr. Manoj Kumar Beriwala - Chief Financial Officer**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	Increase *1(one) share held as nominee of Srei Infrastructure Finance Limited was transferred from Mr. Sanjeev Sancheti to Mr. Manoj Kumar Beriwala w.e.f. 9th August, 2019.*			
	At the end of the year	1	Negligible	1	Negligible
5.	**Mr. Ritu Bhojak - Company Secretary**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
6.	**Mr. Indranil Sengupta - Chief Risk Officer**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding	No change during the year			

SI. No.	For Each of the Directors and Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	during the year specifying the reasons for increase/decrease				
	At the end of the year	-	-	-	-
7.	**Mr. Pulak Bagchi – General Counsel#***				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-
8.	**Mr. Pavan Trivedi- Chief of Operations**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease	No change during the year			
	At the end of the year	-	-	-	-

* Appointed for a second term as an Independent Director w.e.f. 13.08.2019

Appointed as Independent Director w.e.f. 12.02.2020

#*Ceased to be KMP w.e.f. 17.05.2019, further re-designated as KMP w.e.f. 09.11.2019

V. INDEBTEDNESS

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

Amount (Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount*	1,846,211	249,834	-	2,095,215
ii) Interest due but not paid**	-	-	-	-
iii) Interest accrued but not due*	15,190	9,006	-	24,195
Total (i+ii+iii)	**1,861,401**	**258,010**	**-**	**2,119,410**
Change in Indebtedness during the financial year* **	-	-	-	-
Addition	930,564	102,094	-	1,032,658
Reduction	-	-	-	-
Net Change	930,564	102,094	-	1,032,658
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount*	2,770,063	349,369	-	3,119,432
ii) Interest due but not paid**	-	-	-	-
iii) Interest accrued but not due*	21,900	10,736	-	32,636
Total (i+ii+iii)	**2,791,963**	**360,105**	**-**	**3,152,068**

* The Company has applied Moratorium on borrowings in accordance with Covid-19 Regulatory Package announced by RBI and the approval for the same is under process with a few lenders.

**Excluding unclaimed amount

***Change in indebtedness during the year is net of fresh addition and repayment

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Mr. Hemant Kanoria (Chairman)	Mr. Sunil Kanoria (Vice Chairman)	Mr. Devendra Kumar Vyas (Managing Director)	Total amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,46,50,832	7,56,86,360	4,04,67,811	19,08,05,003
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify	3,06,38,000* (inclusive in 1)	3,06,38,000* (inclusive in 1)	-	6,12,76,000 (inclusive in 1)
5.	Others, please specify	-	-	-	-
	Total (A)	7,46,50,832	7,56,86,360	4,04,67,811	19,08,05,003
	Ceiling as per the Act	**Rs. 355 Lacs [being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013]			

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

* Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman have voluntarily decided to forego the Commission entitlement for the Financial Year 2019-20, in view of present difficult environment for NBFCs and Covid-19 pandemic. Therefore, no Commission is payable to them for the Financial Year 2019-20. The Commission mentioned in the table pertains to Financial Year 2018-19 paid in Financial Year 2019-20.

**In view of the excess managerial remuneration paid for the Financial Year 2019-20, Special Resolution of the Members of the Company, as per applicable provisions of the Companies Act, 2013, is being proposed at the ensuing 14th Annual General Meeting of the Company.

B. Remuneration to other Directors

Amount (Rs.)

SI No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	**Independent Directors**							
		Mr. Shyamalendu Chatterjee*	**Ms. Supriya Prakash Sen****	**Mr. Suresh Kumar Jain**	**Mr. Ashwani Kumar**	**Dr. (Mrs.) Tamali Sengupta*#**	**Mr. Uma Shankar Paliwal ##**	
	Fee for attending Board and Committee Meetings	2,45,000	1,60,000	19,55,000	18,95,000	4,20,000	10,00,000	56,75,000
	Others, please specify	-	-	-	-	-	-	-
	Total (B)	2,45,000	1,60,000	19,55,000	18,95,000	4,20,000	10,00,000	56,75,000
	Total Managerial Remuneration#	Rs. 19,08,05,003/-						
	Overall Ceiling as per the Act	***Rs. 390.50 Lacs (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

Exclusive of sitting fees

* Resigned as Independent Director w.e.f. 17.05.2019, further appointed for a second term w.e.f. 02.04.2020

** Resigned as Independent Director w.e.f. 17.05.2019

*# Appointed for a second term as an Independent Director w.e.f. 13.08.2019

Appointed as an Independent Director w.e.f. 12.02.2020

***In view of the excess managerial remuneration paid for the Financial Year 2019-20, Special resolution of the Members of the Company, as per applicable provisions of the Companies Act, 2013, is being proposed at the ensuing 14th Annual General Meeting of the Company.

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

Amount (Rs.)

SI. No.	Particulars of Remuneration	Key Managerial Personnel (KMP)							
		Chief Financial Officer	**Company Secretary**	**Chief Internal Auditor***	**Chief Risk Officer**	**Group Head – Litigation***	**General Counsel****	**Chief of Operations**	**Total Amount**
		Mr. Manoj Kumar Beriwala	**Ms. Ritu Bhojak**	**Mr. Debashis Ghosh**	**Mr. Indranil Sengupta**	**Mr. Rajdeep Khullar**	**Mr. Pulak Bagchi**	**Mr. Pavan Trivedi**	
1.	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	76,82,106	44,03,329	61,11,973	1,63,73,605	84,62,419	90,81,734	1,16,76,597	6,37,91,763
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	32,400	32,400	32,400	-	32,400	32,400	32,400	1,94,400
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-
4.	Commission as a % of Profit	-	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-	-
	Total (C)	77,14,506	44,35,729	61,44,373	1,63,73,605	84,94,819	91,14,134	1,17,08,997	6,39,86,163

*Ceased to be KMP w.e.f 17.05.2019

**Ceased to be KMP w.e.f. 17.05.2019, further re-designated as KMP w.e.f. 09.11.2019

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

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place : Kolkata
Date : July 27, 2020

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

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:

Sl. No.	Name of the Directors	Remuneration (Rs.)*	Median Remuneration of employees (Rs.)	Ratio (In times)
1.	Mr. Hemant Kanoria	4,97,19,880	4,92,291	101.00x
2.	Mr. Sunil Kanoria	4,97,85,767		101.13x
3.	Mr. Devendra Kumar Vyas	4,11,33,970		83.56x
4.	Mr. Shyamalendu Chatterjee**	2,45,000		0.50x
5.	Ms. Supriya Prakash Sen#*	1,60,000		0.33x
6.	Mr. Suresh Kumar Jain	19,55,000		3.97x
7.	Mr. Ashwani Kumar	18,95,000		3.85x
8.	Dr. (Mrs.) Tamali Sengupta#	4,20,000		0.85x
9.	Mr. Uma Shankar Paliwal##	10,00,000		2.03x

* Remuneration includes sitting fees paid to Independent Directors for attending meetings of Board and various committees thereof
** Resigned as an Independent Director w.e.f. 17.05.2019, further appointed for a second term of 5 (five) years as an Independent Director w.e.f. 02.04.2020
#*Resigned w.e.f. 17.05.2019
Appointed for a second term as an Independent Director w.e.f. 13.08.2019
##Appointed as an Independent Director w.e.f. 12.02.2020

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20:

Sl. No.	Name	Designation	Remuneration of previous year* (Rs.)	Remuneration of Current year* (Rs.)	% increase/ (decrease)
1.	Mr. Hemant Kanoria	Chairman	7,56,57,866	4,97,19,880	Refer Note (a)
2.	Mr. Sunil Kanoria	Vice Chairman	7,61,45,374	4,97,85,767	Refer Note (a)
3.	Mr. Devendra Kumar Vyas	Managing Director	4,01,81,720	4,11,33,970	2%
4.	Mr. Shyamalendu Chatterjee**	Independent Directors	15,10,000	2,45,000	Refer Note (b)
5.	Ms. Supriya Prakash Sen#*		9,50,000	1,60,000	Refer Note (c)
6.	Mr. Suresh Kumar Jain		5,45,000	19,55,000	Refer Note (d)
7.	Mr. Ashwani Kumar		2,25,000	18,95,000	Refer Note (e)
8.	Dr. (Mrs.) Tamali Sengupta##		NA	4,20,000	NA
9.	Mr. Uma Shankar Paliwal##*		NA	10,00,000	NA
10.	Mr. Manoj Kumar Beriwala	Chief Financial Officer	80,03,760	8,085,551	1%
11.	Ms. Ritu Bhojak	Company Secretary	43,99,610	4,512,077	3%

* Remuneration includes sitting fees paid to Independent Directors for attending meetings of Board and various committees thereof
** Resigned as an Independent Director w.e.f. 17.05.2019, further appointed for a second term of 5 (five) years as an Independent Director w.e.f. 02.04.2020
#* Resigned w.e.f. 17.05.2019
##Appointed for a second term as an Independent Director w.e.f. 13.08.2019
##* Appointed as an Independent Director w.e.f. 12.02.2020

Note:
(a) Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman have voluntarily decided to forego the Commission entitlement for the Financial Year 2019-20, in view of present difficult environment for NBFCs and Covid-19 pandemic. Therefore, no Commission is payable to them for the Financial Year 2019-20. Accordingly, the percentage change is in negative.
(b) Mr. Shyamalendu Chatterjee was in office only for part of the current year (resigned w.e.f. 17th May, 2019) and hence the percentage of decrease of remuneration in his case is not comparable with that of the previous year.
(c) Ms. Supriya Prakash Sen was in office only for part of the current year (resigned w.e.f. 17th May, 2019) and hence the percentage of decrease of remuneration in her case is not comparable with that of the previous year.
(d) Mr. Suresh Kumar Jain has been inducted in various Committees in the current year and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.
(e) Mr. Ashwani Kumar was in office only for part of the previous year (appointed w.e.f. 1st February, 2019) and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

The remuneration of the Key Managerial Personnel (KMPs) is linked to the market and is commensurate with their diverse responsibilities and experience.

iii. The percentage increase in the median remuneration of employees in the financial year 2019-20:

Median remuneration of previous year (Rs.)	Median remuneration of current year (Rs.)	% increase
4,74,782	4,92,291	3.69

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

There were 1416 (One Thousand Four Hundred and Sixteen only) employees as on 31st March, 2020.

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

Sl. No.	Particulars	Average % increase
1.	Increase in salary of Managerial Personnel	No increase
2.	Increase in salary of employee (other than Managerial Personnel)	0.06

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

Yes it is confirmed.

For and on behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place: Kolkata
Date: July 27, 2020

PARTICULARS OF EMPLOYEES

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

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

Sl. No.	Name	Designation	Remuneration Received [Rs.]	Qualification	Exper-ience in years	Age in years	Date of commence-ment of employment	Last employ-ment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1.	Mr. Hemant Kanoria	Chairman	4,97,19,880	B. Com (Hons)	40	57	02.04.2008	-	*Negligible
2.	Mr. Sunil Kanoria	Vice Chairman	4,97,85,767	B. Com (Hons), CA	35	55	02.04.2008	-	*Negligible
3.	Mr. Devendra Kumar Vyas	Managing Director	4,11,33,970	B. Com, CA	28	51	01.04.1997	G P Agrawal & Co., Chartered Accountants (Partner)	NIL
4.	Mr. Indranil Sengupta	Chief Risk Officer	1,67,22,212	B. Com, CAIIB	35	58	01.04.2014	BNP Paribas, Bahrain (Director & Senior Banker, Corporate & Investment Banking)	NIL
5.	Mr. Pradip Agarwal	Senior Vice President - Treasury Front Office (DCM, Syndication & Structuring)	1,18,10,479	B. Com , CA	20	43	25.06.2018	J. P. Morgan (Vice President - Fixed Income & Structured Finance)	NIL
6.	Mr. Pavan Trivedi	Chief of Operations	1,16,39,556	CA , ICWA	23	49	09.05.2016	Usha Martin Ltd. (President)	NIL
7.	Mr. Pulak Bagchi	General Counsel	98,55,216	B.Com , LLB	21	47	03.07.2017	Star India Private Limited (Senior Vice President - Legal & Regulatory)	NIL
8.	Mr. N Rama Raju	Head - Business	92,72,855	MBA	28	56	28.06.2012	Kotak Mahindra Bank Ltd. (Senior Vice President)	NIL

Sl. No.	Name	Designation	Remuneration Received [Rs.]	Qualification	Exper-ience in years	Age in years	Date of commence-ment of employment	Last employ-ment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
9.	Mr. Somnath Bhattacharjee	President – Business (Global Partnership)	90,09,685	BE - Mechanical	35	57	09.12.2016	TIL Limited (President & CEO)	NIL
10.	Mr. Rajdeep Khullar	Group Head - Litigation	89,40,358	LLB	37	59	02.02.1998	The Right Address Ltd. (Senior Manager)	NIL
11.	Mr. Debnil Chakraborty**	Head - BPM	66,74,365	PGDBA , CFA	23	47	02.01.2008	ICICI Bank Ltd. (Product Risk Manager)	NIL
12.	Mr. Ramana Venkat Vallabhajoysula **	Head - Asset Finance	29,17,964	PGDBM , CFA	19	47	01.10.2003	GE Capital CEF	NIL

*Holds 1 Equity Share each of Rs.10/- fully paid-up as nominee of Srei Infrastructure Finance Limited, holding company

**Employed for part of the year

Notes:

(a) Remuneration includes Basic Salary, House Rent Allowance (HRA), Special Allowance, Super Annuation Allowance, Commission, Ex-gratia, Leave Travel Allowance (LTA), Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to NPS, Incentives and other Perquisites.

(b) Nature of Employment and duties: Contractual and in accordance with terms and conditions as per Company's rules and policies.

(c) No employee is a relative of any Director except Mr. Hemant Kanoria (Chairman) who is Brother of Mr. Sunil Kanoria (Vice Chairman).

On behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place : Kolkata
Date : July 27, 2020

MR & Associates
Company Secretaries
46, B. B. Ganguly Street,
Kolkata-700012
Moblie No: 9831074332
Email :goenkamohan@gmail.com

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SREI EQUIPMENT FINANCE LIMITED
'Vishwakarma', 86C, Topsia Road,
Kolkata- 700046,
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Srei Equipment Finance Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of following Acts as amended from time to time alongwith the rules and regulations made thereunder:

i) The Companies Act, 2013 (the Act) and the rules made thereunder read with the Companies (Amendment) Act, 2017 to the extent notified as on Financial year ended 31st March, 2020;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

Cont.2/

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were applicable to the Company during the Audit Period:-

a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

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

d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable.

I further report that during the audit period, there were no actions/ events in pursuance of;

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

b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

d) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, we further report that the Company has complied with the following laws applicable specifically to the Company:

i) Reserve Bank of India Act, 1934 and guidelines, directions and instructions issued by RBI through notifications and circulars relating to Non-banking Financial Institution Laws.

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

i) Secretarial Standards as issued and mandated by the Institute of Company Secretaries of India,

Cont.3/

ii) The Listing Agreements entered into by the Company for listing of its debt securities with BSE Limited and National Stock Exchange of India Limited.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings and agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

The Board of Directors of the Company and its holding company, Srei Infrastructure Finance Limited ("SIFL") at their respective meetings held on July 4, 2019 approved the transfer of Lending Business, Interest Earning Business & Lease Business of SIFL together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (the "Transferred Undertaking"), as a going concern by way of slump exchange to the Company through a Business Transfer Agreement ("BTA"), in exchange of fully paid up equity shares to be issued and allotted by the Company, subject to all necessary approvals.

Pursuant to this, the Company signed BTA on August 16, 2019 and accordingly, the Company and SIFL have passed the relevant accounting entries in their respective books of account effective October 01, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. The consent, or otherwise, of other lenders is awaited. Pending the approvals as stated above, the Company has accounted for the slump exchange transaction on October 01, 2019, as stated above.

Cont.4/

We further report that during the audit period the Company had,

i) During the year under review, your Company has filed a Tranche 1 Prospectus dated August 09, 2019 for issuance of Secured Redeemable Non-Convertible Debentures (NCDs) pursuant to the Shelf Prospectus dated August 09, 2019 of face value of Rs 1,000 each for an amount upto Rs 500 Crore including an green shoe option of Rs 400 crore, which is within the Shelf Limit of Rs 1400 Crore. Though the issue was opened for subscription on August 19, 2019 and was scheduled to be closed on September 18, 2019, but due to revision in credit rating of the NCDs vide letter dated 11th September, 2019 submitted to the stock exchanges, Company has decided not to proceed with said issue further. Accordingly all the Application money received from the investors were refunded or unblocked as per the process.

ii) Issue and allotment of 1,93,56,415 Equity Shares of the Company of face value Rs. 10/- (Rupees Ten Only) each carrying a premium of Rs. 481/- (Rupees Four Hundred Eighty One Only) each to Srei Infrastructure Finance Limited, Holding Company, vide Board Meeting dated 31st December, 2019 constituting the lump sum consideration for acquisition of the Transferred Undertaking.

This Report is to be read with our letter of even date which is annexed **"Annexure A"** and forms an integral part of this Report.

For MR & Associates
Company Secretaries

Place: Kolkata
Date: 27.07.2020

Sd/-
[M R Goenka]
Partner
FCS No.:4515
C P No.:2551
UDIN: F004515B00049846

MR & Associates
Company Secretaries
46, B. B. Ganguly Street,
Kolkata-700012
Moblie No: 9831074332
Email :goenkamohan@gmail.com

"ANNEXURE – A"

(TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020)

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

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

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.

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

7. The Audit was conducted on a quarterly basis and all the audit documents were obtained from the Company except compliance for the quarter January to March 2020. The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a lockdown which was further extended across the country to contain the spread of the virus. Due to COVID-19 pandemic impact, the compliance documents for the quarter January to March, 2020 were obtained through electronic mode and verified with requirements.

For MR & Associates
Company Secretaries

Place: Kolkata
Date: 27.07.2020

Sd/-
[M R Goenka]
Partner
FCS No.:4515
C P No.:2551
UDIN: F004515B000498461

Srei Equipment Finance Limited Corporate Codes & Policies – Key Changes FY 2019-20

The Summary of Key Statutory Codes & Policies that have been adopted are as follows:-

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2019-20
1.	Related Party Transactions Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.	https://www.srei.com/pdf/SEFL-Related-Party-Transactions-(RPTs)-Policy.pdf	Changes made – ➢ to remove reference of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; ➢ pursuant to Companies (Amendment) Act, 2017 w.e.f. 7th May, 2018; and ➢ Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019.
2.	Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel (KMPs) and other employees.	https://www.srei.com/pdf/SEFL-Nomination-and-Remuneration-Policy.pdf	Changes made – ➢ to reflect current management structure.
3.	Corporate Governance Framework	The policy provides the framework for Corporate Governance so that executives act in accordance with the highest standards of governance while working for and on behalf of the Company.	https://www.srei.com/storage/app/uploads/public/5de/101/335/5de1013351e94110243492.pdf	There has been no change to the Policy during the year.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2019-20
4.	Code of Conduct for Board of Directors and Senior Executives	To deter wrongdoing and promote ethical conduct in the Company.	https://www.srei.com/storage/app/uploads/public/5de/101/14a/5de10114ac4a1005946948.pdf	There has been no change to the Policy during the year.
5.	Policy on Board Diversity	The Policy sets out the approach to diversity on the Board of Directors of the Company.	https://www.srei.com/storage/app/uploads/public/5de/101/7a5/5de1017a56fc7959671328.pdf	There has been no change to the Policy during the year.
6.	Policy on "Fit and Proper" Criteria for Directors	The Policy sets a framework to determine whether a Director is fit and proper to hold such position in the Company.	–	There has been no change to the Policy during the year.
7.	Code of Conduct for Prohibition of Insider Trading (SEFL Insider Code)	To regulate, monitor and report trading by Insiders.	–	Changes made – ➢ to incorporate provisions of SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2019 effective from 25.07.2019; and ➢ to incorporate provisions of SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 effective from 26.12.2019.
8.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (SEFL Fair Disclosure Code)	The policy provides the framework for following the best practices, duly compliant with Applicable Law, in the matter of disclosure of UPSI.	https://www.srei.com/storage/app/uploads/public/5de/100/e6a/5de100e6a959d347921042.pdf	Changes made – ➢ to include Policy for Determination of Legitimate Purposes with illustrative list of Legitimate Purposes pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated December 31, 2018 and effective from April 01, 2019; and

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2019-20
				➢ for operational convenience.
9.	Corporate Social Responsibility Policy	To regulate, monitor and report Corporate Social Responsibility activities of the Company.	https://www.srei.com/pdf/SEFL-Corporate-Social-Responsibility-Policy.pdf	There has been no change to the Policy during the year.
10.	Whistle Blower Policy	The Company has adopted a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	https://www.srei.com/pdf/SEFL-Whistle-blower-policy.pdf	Changes made – ➢ in the e-mail IDs of the Chairman of the Audit Committee and Head of Human Resource Department.
11.	Fair Practice Code	To provide all stakeholders, especially customers effective overview of practices followed by the Company in respect of the financial facilities and services offered by the Company to its customers.	https://www.srei.com/storage/app/uploads/public/5de/100/d07/5de100d0713f0714333331.pdf	There has been no change to the Policy during the year.
12.	Grievance Redressal Policy	To minimize instances of customer complaints and grievances.	–	There has been no change to the Policy during the year.
13.	Investment Policy	The Policy lays down, inter alia, the guidelines to be followed by the Credit and Investment Committee to approve investments.	–	There has been no change to the Policy during the year.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2019-20
14.	Policy for Preservation of Documents	The Policy integrates, harmonizes and standardizes the procedure and manner for preservation and destruction of documents which are required to be prepared or maintained under the SEBI laws and the Act. This Policy also contains guidelines to identify documents that are required to be maintained and the period for which those documents should be retained.	–	There has been no change to the Policy during the year.
15.	Archival Policy	Part of Policy for preservation of documents.	https://www.srei.com/storage/app/uploads/public/5de/100/ff2/5de100ff2ab26480432407.pdf	There has been no change to the Policy during the year.
16.	Policy on Prevention of Sexual Harassment	This policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.	https://www.srei.com/pdf/SEFL-Policy-on-prevention-of-sexual-harassment.pdf	There has been no change to the Policy during the year
17.	Environmental and Social Management System Policy	This policy provides a framework to facilitate the implementation of appropriate Environmental and Social Management System (ESMS) in the Company with the prime objective of reducing Environmental and Social impacts of its portfolio.	–	There has been no change to the Policy during the year.

Haribhakti & Co. LLP
Chartered Accountants
701, Leela Business Park,
Andheri Kurla Road,
Andheri (East)
Mumbai - 400 059

L. B. Jha & Co.
Chartered Accountants,
B-2/1, Gillander House,
8, Netaji Subhas Road,
Kolkata - 700 001

INDEPENDENT AUDITOR'S REPORT

To the Members of Srei Equipment Finance Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Srei Equipment Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

L. B. JHA & CO. * Chartered Accountants

Sr. No.	Key audit matters	How our audit addressed the key audit matter:
1.	**Impairment loss allowance of loans to customers:** Impairment loss allowance of loans and advances ("Impairment loss allowance") is a key audit matter as the Company has significant credit risk exposure. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.	**Principal Audit Procedures:** In responding to the identified key audit matter, we completed the following audit procedures: • Understanding of the internal control environment related to Impairment loss allowance. • Assessing whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company, which is based on and in compliance with Ind AS 109, "Financial instruments". • Assessing the approach of the Company regarding the definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL. • Testing the reliability of key data inputs and related management controls. • Checking the stage classification as at the balance sheet date as per definition of default. • Validating the ECL model and calculation. • Calculating the ECL provision manually for a selected sample. • Checking the provision on Loan Assets as per Income Recognition, Asset Classification and Presentation ("IRACP") norms as required under RBI circular dated March 13, 2020. • For loans and advances which are written off during the year under audit, reading and understanding the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

2.	**Key Information Technology (IT) systems with impact on financial reporting process:** The IT systems within the Company form a critical component of the Company's financial reporting activities. It impacts account balances, certain operational and financial processes like revenue recognition on Loans. There is a high dependence on the IT systems due to large volume of transactions that are processed daily.	**Principal Audit Procedures:** Our approach of testing IT General Controls (ITGC) and IT Automated Controls (ITAC) is risk based and business centric. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including: • Testing the ITGC based on the parameters such as Completeness, Validity,Identification/Authentication and Authorisation, Accuracy, Integrity and Accountability. • Reviewing control areas such as User Management, Change Management, Incident Management, Direct Database Update, Job Scheduling, Anti-Virus, Interfaces, Master Maintenance, Job Scheduling, Backup and Restoration, Business Continuity and Disaster Recovery, Capacity Monitoring and Service Level Agreement etc. • Performing tests of controls on sample basis (including other compensatory controls wherever applicable) on the IT application controls and IT Department manual controls in the system. • Testing the control environment using various techniques such as inquiry, review of documentation/ record/ reports, observation and re-performance. • Testing few controls using negative testing technique. We took adequate samples of instances for our tests.
3.	**Fair Valuation of Claims Receivables** Claims Receivables amounts to Rs. 51,015 Lakhs as at March 31, 2020 and has been recognised as financial assets measured at Fair Value through Profit or Loss in the Company's financial statements. Refer Note No. 9 to the financial statements. Determination of fair value and	**Principal Audit Procedures:** Our audit approach consist of the test of design and operating effectiveness of internal controls and substantive testing as follows: • Obtaining audit evidence in respect of key controls over the management judgments and the assumptions-setting processes including judgments regarding expected realization date and value.

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	recoverability of the Claims Receivables has been identified as a Key Audit Matter as the same is based on unobservable inputs and subjective assumptions.	• Assessing the underlying legal due diligence reports, examining the underlying agreements and assessing the progress of the claims during the period. • Evaluating the competencies, capabilities, and objectivity of the external legal counsels.
4.	**Valuation of unquoted financial assets held at fair value** The impairment review of unquoted equity instruments and debt, with a carrying value of Rs. 646.53 crores, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override. The carrying value of such unquoted equity instruments and debt is at risk of recoverability. The fair value of such instruments cannot be readily determined as these are not quoted in the stock exchanges and the net worth of the underlying entities has significantly eroded. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.	**Principle audit procedures :** In responding to the identified key audit matter, we completed the following audit procedures: • Besides obtaining an understanding of Management's processes and controls with regard to testing the impairment of the unquoted equity instruments, our procedures included the following: • Reviewed the management's underlying assumptions and appropriateness of the valuation model used. • Compared the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. • Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience. • Obtained Valuation Reports from independent valuers on sample basis.
5.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 116 "Leases" (new accounting standard)** Ind AS 116 Leases replaces the existing standard Ind AS 17 and specifies how the Company will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless	**Principal Audit Procedures :** In responding to the identified key audit matter, we completed the following audit procedures: • Assessed the design and implementation of key controls pertaining to the determination of the Ind AS 116 transition impact disclosures. • Assessed the appropriateness of the discount rates applied in determining lease liabilities with input from our

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	the lease term is 12 months or less or the underlying asset has a low value. Accordingly, the Company has adopted Ind AS 116 Leases with effect from 01.04.2019. The implementation of Ind AS 116 is considered a key audit matter due to the judgments needed in establishing the underlying key assumptions.	valuation specialists. • Assessed whether the accounting regarding leases is consistent with the definitions of Ind AS 116 including factors such as lease term and measurement principles. • Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the Ind AS 116 calculations for each lease sampled through recalculation of the expected Ind AS 116 adjustment. • Considered completeness by testing the reconciliation to the Company's operating lease commitments and by investigating key service contracts to assess whether they contained a lease under Ind AS 116. • Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Emphasis of Matter

We draw attention to the following matters in the notes to the Ind AS financial statements:

1. We draw attention to Note No. 48 to the Ind AS financial statements, which explains that the Company has accounted for the slump exchange transaction and consequently recognized the relevant assets, liabilities, income and expenses in its books of account, pursuant to the Business Transfer Agreement ('BTA') with its Holding Company, Srei Infrastructure Finance Limited ('SIFL'), with effect from 1st October, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. The consent or otherwise, of other lenders is still awaited. In terms of the BTA, the Company has allotted 1,93,56,415 equity shares of Rs. 10/- each at a premium of Rs. 481/- per share to SIFL as part of purchases consideration of Rs. 950 Crores and recognised financial assets of Rs. 12,521 Crores, non-financial assets of Rs. 844 Crores, financial liability of Rs. 12,361 Crores and non-financial liability of Rs. 30 Crores as on October 1, 2019. The Company has also taken expert legal and accounting opinions which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework.

2. We draw attention to Note No. 49 to the Ind AS financial statements, which explains that the classification of assets overdue but standard as on February 29, 2020 and where moratorium benefit has been granted, the staging of those accounts as on March 31, 2020 is based on the

days past due status as on February 29, 2020, which will remain at a standstill during the moratorium period, in accordance with the Reserve Bank of India COVID-19 Regulatory Package. The extent to which COVID-19 pandemic will impact the Company's operations and financial results is dependent on future developments, which cannot be ascertained at this point of time.

3. We draw attention to Note No. 50 to the Ind AS financial statements, which states that the Company has applied for moratorium on borrowings in accordance with COVID-19 Regulatory Package announced by RBI and the approval for the same is under process with a few lenders. In view of this, such deferment of dues has not been considered as default by the Company.

Our opinion is not modified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon. The above mentioned other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The audit of Ind AS financial statements for the year ended March 31, 2019, was carried out and reported by M/s Deloitte Haskins & Sells, vide their unmodified audit report dated May 17, 2019, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. The matters described under the Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company;

f. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

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g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

According to the information and explanations given to us and the records of the Company examined by us, the managerial remuneration paid or provided to the Chairman, Vice Chairman and Managing Director is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act. As represented to us, the Company will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting - refer Note No. 37(b) to the Ind AS financial statements.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note No. 35 to the Ind AS financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Manoj Daga
Partner
Membership No. 048523
UDIN: 20048523AAAAAO6539
Place: Mumbai
Date: July 27, 2020

For L. B. Jha & Co.
Chartered Accountants
ICAI Firm Registration No. 301088E

D. Chatterji
Partner
Membership No. 010121
UDIN: 20010121AAAAAC3889
Place: Kolkata
Date: July 27, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Srei Equipment Finance Limited on the Ind AS financial statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i)

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

(b) The Company has a program of physical verification of fixed assets (excluding fixed assets given on operating lease) to cover all its major items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except for the details given below :-

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2020 (Rs. in Lakhs)	Net Block as on March 31, 2020 (Rs. in Lakhs)	Remarks
Land	2	Freehold	12,753	12,753	Acquired during the year
Building	1	Not Applicable	1,447	1,447	Acquired during the year
Building	5	Not Applicable	3,958	3,919	Refer Note below

Note :- These immovable properties were transferred to the Company pursuant to the Business Transfer Agreement ('BTA') (Refer Note No. 48 to the Ind AS financial statements) entered by the Company with its Holding Company, Srei Infrastructure Finance Limited ('SIFL'). These immovable properties are still in the name of SIFL.

(ii) The Company does not have any inventory and hence reporting under Clause 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

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(iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and it did not have any unclaimed deposits at the beginning of the year. Hence reporting under clause 3 (v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii)

(a) The Company is regular in depositing with appropriate authorities, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of the aforesaid dues, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues with respect to GST, customs duty and duty of excise which have not been deposited on account of any dispute. The dues outstanding as at March 31, 2020 with respect to income tax, sales tax, service tax and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,873^	Financial Year 2002-03 to 2013-14	Commissioner of Service Tax; Customs, Excise and Service Tax Appellate Tribunal
The Central Sales Tax Act, 1956 and VAT Laws	Central Sales Tax and VAT	1,411@	Various Financial Years from 2008-09 to 2017-18	At various levels from Commissioner to High Court
The Income Tax Act, 1961	Income Tax	5,748#	Financial Year 2011-12 to 2012-13	Commissioner of Income -Tax (Appeals)
Finance Act, 1994 *	Service Tax	4,645	Financial Year 2008-09, 2009-10 and 2011-12 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal; CGST & CX Commissioner; CGST & CX Commissioner Appeal -1

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Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956 *	Central Sales Tax	211	Financial Year 2010-11	West Bengal Sales Tax Appellate and Revisional Board
The Income Tax Act, 1961 *	Income Tax	7,679	Financial Year 2005-06 to 2008-09, 2010-11, 2011-12 and 2013-14 to 2015-16	At various levels from Commissioner of Income -Tax (Appeals) to Supreme Court of India
The Income Tax Act, 1961 *	Income Tax on Fringe Benefits	226	Financial Year 2005-06 to 2008-09	Calcutta High Court

^ Net of Rs. 455 Lakhs paid under protest

@ Net of Rs. 182 Lakhs paid under protest

Net of Rs. 672 Lakhs paid under protest

* In terms of BTA (Refer Note No. 48 to the Ind AS financial statements), entered by the Company with its Holding Company, SIFL, the Company is liable to pay any future liability arising in relation to these dues, which are being held by SIFL, in its books of account, on behalf of the Company. Hence, these dues have been reported above.

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

The Company has applied for Moratorium on borrowings in accordance with COVID-19 Regulatory Package announced by RBI and the approval for the same is under consideration with a few lenders and accordingly, such deferment of dues has not been considered as default. (Refer matter No. 3 reported under 'Emphasis of Matter' section of our Independent Auditor's Report).

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) The Company has paid/provided the managerial remuneration to the Chairman, Vice Chairman and Managing Director which is not in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act (i.e. the managerial remuneration paid/provided, as aforesaid, is in excess of the prescribed limits). As represented to us, the Company will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

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(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and the records of the Company examined by us, the Company has entered into non-cash transactions with its holding company by way of a slump exchange and for which the provisions of section 192 of the Act has been complied with.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Manoj Daga

Partner

Membership No. 048523

UDIN: 20048523AAAAAO6539

Place: Mumbai

Date: July 27, 2020

For L. B. Jha & Co.

Chartered Accountants

ICAI Firm Registration No. 301088E

D. Chatterji

Partner

Membership No. 010121

UDIN: 20010121AAAAAC3889

Place: Kolkata

Date: July 27, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Equipment Finance Limited on the Ind AS financial statements for the year ended March 31, 2020]

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

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Manoj Daga
Partner
Membership No. 048523
UDIN: 20048523AAAAAO6539

Place: Mumbai
Date: July 27, 2020

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

For L. B. Jha & Co.
Chartered Accountants
ICAI Firm Registration No. 301088E

D. Chatterji
Partner
Membership No. 010121
UDIN: 20010121AAAAAC3889

Place: Kolkata
Date: July 27, 2020

SREI EQUIPMENT FINANCE LIMITED
Balance sheet as at March 31st, 2020

(₹ in Lakhs)

	Particulars	Note No.	As at March 31st, 2020	As at March 31st, 2019
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and Cash Equivalents	3	38,563	21,882
(b)	Bank Balance other than (a) above	4	1,31,560	1,59,277
(c)	Derivative Financial Instruments	5	29,992	5,717
(d)	Receivables			
	(I) Trade Receivables	6	15,321	10,664
(e)	Loans	7	29,04,099	18,61,487
(f)	Investments	8	66,149	10,341
(g)	Other Financial Assets	9	95,066	47,968
(2)	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	10	5,839	-
(b)	Deferred Tax Assets (Net)	11	2,833	-
(c)	Property, Plant and Equipment	13	3,56,574	4,51,238
(d)	Right-of-use Assets	14	1,210	-
(e)	Capital Work-in-Progress		233	-
(f)	Other Intangible Assets	15	445	535
(g)	Other Non-Financial Assets	12	55,990	91,623
	Total Assets		**37,03,874**	**26,60,732**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative Financial Instruments	5	4,146	5,302
(b)	Payables	16		
	(I) Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,13,071	1,67,306
(c)	Debt Securities	17	2,62,725	1,94,243
(d)	Borrowings (Other than Debt Securities)	18	26,40,607	17,33,794
(e)	Subordinated Liabilities	19	2,48,736	1,91,373
(f)	Lease Liabilities	14	1,292	-
(g)	Other Financial Liabilities	20	32,628	45,593
(2)	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	21	-	93
(b)	Provisions	22	1,775	1,373
(c)	Deferred Tax Liabilities (Net)	11	-	18,490
(d)	Other Non-Financial Liabilities	23	6,872	12,731
(3)	**EQUITY**			
(a)	Equity Share Capital	24	7,902	5,966
(b)	Other Equity	25	3,84,120	2,84,468
	Total Liabilities and Equity		**37,03,874**	**26,60,732**

Significant Accounting Policies and Notes to Financial Statements 1 to 52
The Notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place: Mumbai
Date: July 27th, 2020

For **L. B. Jha & Co.**
Chartered Accountants
ICAI Firm Registration No. 301088E

D Chatterji
Partner
Membership no. 010121

Place: Kolkata
Date: July 27th, 2020

For and on behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
(DIN: 00193015)

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place: Kolkata
Date: July 27th, 2020

SREI EQUIPMENT FINANCE LIMITED
Statement of Profit and Loss for the year ended March 31st, 2020

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31st, 2020	Year ended March 31st, 2019
	Revenue from Operations			
	Interest Income	26	3,24,252	2,78,002
	Rental Income		1,20,042	1,27,435
	Fees and Commission Income		4,945	4,632
	Net gain on fair value changes	27	35,839	5,977
	Net gain on derecognition of financial instruments		30,370	7,638
	Others	28	12,726	16,908
(I)	**Total Revenue from Operations**		**5,28,174**	**4,40,592**
(II)	**Other Income**	29	**(20,231)**	**(2,788)**
(III)	**Total Income (I+II)**		**5,07,943**	**4,37,804**
	Expenses			
	Finance Costs	30	3,01,954	2,14,861
	Fees and Commission Expense		3,492	2,722
	Net loss on fair value changes	27	3,739	3,400
	Net loss on derecognition of financial instruments under amortised cost category		27,386	14,939
	Impairment on Financial Instruments (Net)	31	33,571	30,742
	Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt		12,054	7,544
	Employee Benefits Expenses	32	16,634	20,238
	Depreciation, Amortisation and Impairment	13 to 15	75,890	76,510
	Other Expenses	33	23,189	21,175
(IV)	**Total Expenses**		**4,97,909**	**3,92,131**
(V)	**Profit/(Loss) Before Tax (III- IV)**		**10,034**	**45,673**
(VI)	**Tax Expense:**			
	(1) Current Tax		4,333	15,072
	(2) Deferred Tax		110	(37)
(VII)	**Profit/(Loss) After Tax (V-VI)**		**5,591**	**30,638**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurements Gains/(Losses) on Defined Benefit Plan		(61)	(11)
	(b) Gains/(Losses) on fair valuation of Equity Instruments		1,061	-
	(c) Income tax relating to items that will not be reclassified to Profit or Loss		(226)	4
	SUBTOTAL (a+b+c)		**774**	**(7)**
	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		(945)	(643)
	(b) Gains/(Losses) on fair valuation of Loans		3,871	6,290
	(c) Income tax relating to items that will be reclassified to Profit or Loss		(1,023)	(1,973)
	SUBTOTAL (a+b+c)		**1,903**	**3,674**
	Other Comprehensive Income [A+B]		**2,677**	**3,667**
(IX)	**Total Comprehensive Income (VII+VIII)**		**8,268**	**34,305**
(X)	**Earnings per Equity Share (Face value of ₹ 10/- each)**	34		
	Basic (in ₹)		**8.06**	**51.35**
	Diluted (in ₹)		**8.06**	**51.35**

Significant Accounting Policies and Notes to Financial Statements 1 to 52
The Notes referred to above form an integral part of the Statement of Profit and Loss.
This is the Statement of Profit and Loss referred to in our report of even date.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place: Mumbai
Date: July 27th, 2020

For **L. B. Jha & Co.**
Chartered Accountants
ICAI Firm Registration No. 301088E

D Chatterji
Partner
Membership no. 010121

Place: Kolkata
Date: July 27th, 2020

For and on behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
(DIN: 00193015)

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place: Kolkata
Date: July 27th, 2020

SREI EQUIPMENT FINANCE LIMITED
Statement of Cash Flows for the year ended March 31st, 2020

(₹ in Lakhs)

Particulars	Year ended	
	March 31st, 2020	March 31st, 2019
A. Cash Flows from Operating Activities		
Profit Before Tax	10,034	45,673
Adjustments for:		
Depreciation, Amortisation and Impairment	75,890	76,510
Impairment on Financial Instruments (Net)	33,571	30,742
Net (gain)/loss on derecognition of Financial Instruments	(2,984)	7,301
Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt	12,054	7,544
Net loss on derecognition of Property, Plant and Equipment	2,574	813
Liabilities no longer required written back	(5,985)	(5,110)
Net unrealised loss on foreign currency transaction and translation	21,141	3,636
Net unrealised fair value gain	(29,092)	(2,723)
Operating profit before working capital changes	**1,17,203**	**1,64,386**
Changes in working capital:		
Adjustments for:		
(Increase)/Decrease in Trade Receivables and Others Assets	69,561	412
(Increase)/Decrease in Loans Assets	(19,828)	(1,28,230)
Increase/(Decrease) in Trade Payables and Others Liabilities	(72,857)	3,072
(Increase)/Decrease in Other Bank Balances	47,193	(79,027)
Cash generated / (used) in operations	**1,41,272**	**(39,387)**
Advance taxes paid (including Tax deducted at Source)	(10,265)	(5,852)
Net Cash generated / (used) in Operating Activities	**1,31,007**	**(45,239)**
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(10,669)	(1,02,139)
Sale/(Purchase) of Investments (Net)	31,307	1,099
Proceeds from Sale of Property, Plant and Equipment	83,976	20,612
Net Cash generated / (used) in Investing Activities	**1,04,614**	**(80,428)**
C. Cash Flows from Financing Activities		
Proceeds from issuance of Debt securities (including subordinated debt securities)	-	1,16,381
Repayment on redemption of Debt securities (including subordinated debt securities)	(47,949)	(44,422)
Increase/(Decrease) in Working Capital facilities (Net)	98,208	(1,61,328)
Increase/(Decrease) in Other Borrowings (Net)	(2,71,552)	2,34,389
Net Cash generated / (used) in Financing Activities	**(2,21,293)**	**1,45,020**
Net Increase in Cash and Cash Equivalents (A+B+C)	**14,328**	**19,353**
Cash and Cash Equivalents at the beginning of the year	**21,882**	**2,529**
Cash and Cash Equivalents transferred under slump exchange (Refer Note No. 48)	**2,353**	**-**
Cash and Cash Equivalents at the end of the year (Refer Note No. 3)	**38,563**	**21,882**

Cash and Cash Equivalents at the end of the year comprises of: (₹ in Lakhs)

Particulars	As at	
	March 31st, 2020	March 31st, 2019
Cash on hand	14	307
Balances with Banks - in Current Account	38,549	21,575
	38,563	**21,882**

Explanations:
The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.

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

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place: Mumbai
Date: July 27th, 2020

For **L. B. Jha & Co.**
Chartered Accountants
ICAI Firm Registration No. 301088E

D Chatterji
Partner
Membership no. 010121

Place: Kolkata
Date: July 27th, 2020

For and on behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
(DIN : 00193015)

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place: Kolkata
Date: July 27th, 2020

SREI EQUIPMENT FINANCE LIMITED
Statement of Changes in Equity as at March 31st, 2020

a. Equity Share Capital

(₹ in Lakhs)

Balance as at April 1st, 2018	Issued during the year	Reductions during the year	Balance as at March 31st, 2019	Issued during the year	Reductions during the year	Balance as at March 31st, 2020
5,966	-	-	**5,966**	1,936	-	**7,902**

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus						Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
	Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)	Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings				
Balance as at the April 1st, 2018	**33,576**	**13,557**	**31**	**1,03,980**	**58,600**	**40,420**	**3,003**	**-**	**-**	**2,53,167**
Profit after tax for the year	-	-	-	-	-	30,638	-	-	-	30,638
Other comprehensive income (net of tax)	-	-	-	-	-	(7)	4,092	-	(419)	3,666
Reclassified to the Statement of Profit and Loss	-	-	-	-	-	-	(3,003)	-	-	(3,003)
Transferred from retained earnings	6,128	113	-	-	1,962	(8,203)	-	-	-	-
Balance as at March 31st, 2019	**39,704**	**13,670**	**31**	**1,03,980**	**60,562**	**62,848**	**4,092**	**-**	**(419)**	**2,84,468**
Profit after tax for the year	-	-	-	-	-	5,591	-	-	-	5,591
Other comprehensive income (net of tax)	-	-	-	-	-	(40)	2,518	814	(615)	2,677
Reclassified to the Statement of Profit and Loss	-	-	-	-	-	-	(4,092)	-	-	(4,092)
Transferred (from)/to retained earnings	1,118	2,100	-	-	(19,075)	15,857	-	-	-	-
Issuance of equity shares at premium for net assets acquired under slump exchange transaction (refer Note No. 48)	-	-	2,372	93,104	-	-	-	-	-	95,476
Balance as at March 31st, 2020	**40,822**	**15,770**	**2,403**	**1,97,084**	**41,487**	**84,256**	**2,518**	**814**	**(1,034)**	**3,84,120**

Refer Note No. 25 for nature and purpose of reserves.

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

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place: Mumbai
Date: July 27th, 2020

For **L. B. Jha & Co.**
Chartered Accountants
ICAI Firm Registration No. 301088E

D Chatterji
Partner
Membership no. 010121

Place: Kolkata
Date: July 27th, 2020

For and on behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
(DIN : 00193015)

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place: Kolkata
Date: July 27th, 2020

SREI EQUIPMENT FINANCE LIMITED

Notes to the Financial Statements

1. CORPORATE INFORMATION

Srei Equipment Finance Limited ('the Company'), a wholly owned subsidiary of Srei Infrastructure Finance Limited, is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's non-convertible debentures are listed on either Bombay Stock Exchange Limited (BSE) or both BSE and National Stock Exchange of India Limited (NSE). The Company had received a Certificate of Registration from the Reserve Bank of India ('RBI') on September 3rd, 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 February 19th, 2014 consequent to conversion from Private Limited Company to Public Limited Company. The principal business of the Company is financial services. The registration details are as follows:

RBI	N.05.06694
Corporate Identity Number (CIN)	U70101WB2006PLC109898

The registered office of the Company and the principal place of business is "Vishwakarma", 86C, Topsia Road (South), Kolkata- 700046.

These financial statements were approved for issue by the Board of Directors of the Company on July 27th, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions'), as amended and notification for Implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated –March 13, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

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

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

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

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

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

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

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to NBFCs, as notified by the MCA.

2.2 Revenue recognition

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

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

(a) Interest income for financial assets other than those financial assets classified as at Fair value through profit or loss ("FVTPL") is recognised based on the effective interest rate method. Income from Credit Impaired Financial Assets is recognised on net basis i.e. after considering Impairment Loss Allowance.
(b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 2.3.3.
(c) 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.
(d) Interest income on fixed deposits/margin money/pass through certificates is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
(e) 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.
(f) Referral income is recognised when it becomes due under the terms of the relevant mutually agreed arrangement.
(g) Fees and Commission Income other than those forming part of Interest income are recognised as revenue in the Statement of Profit and Loss, when the performance obligations are satisfied.
(h) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.
(i) Income from joint controlled operation is recognised to the extent of the Company's share in jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.
(j) In case of assignment transactions, as the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is recorded as 'Interest retained on pools assigned' with corresponding gain recognised in the Statement of Profit and Loss.

2.3 Financial Instruments

Classification of Financial Instruments

The Company classifies its Financial Assets into the following measurement categories:
1. Financial Assets to be measured at amortised cost
2. Financial Assets to be measured at fair value through other comprehensive income
3. Financial Assets to be measured at fair value through profit or loss

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

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

2.3.1 Recognition of Financial Instruments:

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

2.3.2 Initial Measurement of Financial Instruments:

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

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.

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

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

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

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

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

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

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

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

Effective Interest Rate (EIR) Method:

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

Impairment of Financial Assets:

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

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

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

In case of debt instruments measured at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in 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 Loss is recognised on equity investments.

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

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

Derecognition of Financial Assets:

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

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

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

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

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

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

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

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

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

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

(B) Financial Liabilities and Equity Instruments:

Classification as Debt or Equity:

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

Equity Instruments:

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

Financial Liabilities:

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

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

Trade and other payables

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

Financial Guarantee Contracts:

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument.
Financial guarantee are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

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

Derecognition of financial liabilities:

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

2.4 Fair value Measurement:

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

a) In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

2.5 Overview of the Expected Credit Loss (ECL) principles

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

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.

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

Unsegmented portfolio for ECL

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

Staging:

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

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

Methodology:

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

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

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

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

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

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

2.6 Leasing

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

The Company as lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Assets given on operating leases are included in Property, Plant and Equipment.
Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.
For the revenue recognition policy on Lease Contracts, refer Note No. 2.2.

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

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities excludes these options as there is no reasonable certainty that they will be exercised.
The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the average cost of borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

2.7 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.

2.8 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.

2.9 Employee Benefits

(A) Retirement benefit costs and other termination benefits

Defined Contribution Plans:

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

Defined Benefit Plans:

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

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in 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 the Statement of Profit and Loss. Past service is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

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

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

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

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

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

2.10 Taxation

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

Current tax

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

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

Deferred tax

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

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

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

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

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

Current and deferred tax for the year

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

2.11 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 the Statement of Profit and Loss during the reporting period in which they are incurred.

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

c) Depreciation

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

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

Average useful life of the assets determined is as under:

Operating lease Assets

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

Own Use Assets

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

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

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

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

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

2.12 Intangible Assets

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

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

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

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

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

2.13 Impairment of tangible and intangible assets

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

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

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

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

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

2.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

Contingent Liabilities

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

Contingent Assets

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

2.15 Cash and Cash Equivalents

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

2.16 Segment Reporting

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

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

2.17 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share 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.

2.18 Repossessed Assets and Assets Acquired in Satisfaction of Debt

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

2.19 Offsetting Financial Instruments

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

2.20 Derivative Financial Instruments

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

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

2.21 Embedded derivatives

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

2.22 Hedge Accounting

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

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

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in 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 the 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 the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item.

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

2.23 Significant accounting judgements, estimates and assumptions

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

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

2.23.1. Expected credit loss on loans and advances

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

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

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

2.23.2. Business Model Assessment

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

2.23.3. Hedge Designation

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

2.23.4. Provisions other than 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.

2.23.5. Fair value measurement

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

2.24 Recent Indian Accounting Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1st, 2020.

3. Cash and Cash Equivalents (₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Cash on hand	14	307
Balances with Banks - in Current Account	38,549	21,575
Total	**38,563**	**21,882**

4. Bank Balance other than above (₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Balance with Banks - in Fixed Deposit Accounts* (Including accrued interest)	1,27,066	1,59,277
Earmarked Balances	4,494	-
Total	**1,31,560**	**1,59,277**

(₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
*Under lien:		
- Letter of Credit/Bank guarantee	56,463	1,20,110
- Cash collateral for securitisation and assignment of receivables under partial credit guarantee scheme	56,574	35,553
- Borrowings	35	35
- Others	3,152	-

(i) Changes in Cash Flows from Financing Activities (₹ in Lakhs)

Particulars	As at March 31st, 2019	Movement*		As at March 31st, 2020
		Cash	Non-Cash	
Debt Securities	1,94,243	(89,374)	1,57,856	2,62,725
Borrowings (Other than Debt Securities)	17,33,794	(83,744)	9,90,557	26,40,607
Subordinated Liabilities	1,91,373	(48,175)	1,05,538	2,48,736
Total	**21,19,410**	**(2,21,293)**	**12,53,951**	**31,52,068**

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

Particulars	As at March 31st, 2018	Movement*		As at March 31st, 2019
		Cash	Non-Cash	
Debt Securities	1,26,272	67,971	-	1,94,243
Borrowings (Other than Debt Securities)	16,55,439	74,719	3,636	17,33,794
Subordinated Liabilities	1,89,043	2,330	-	1,91,373
Total	**19,70,754**	**1,45,020**	**3,636**	**21,19,410**

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

5. Derivative Financial Instruments (₹ in Lakhs)

Particulars	As at March 31st, 2020			As at March 31st, 2019		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency derivatives:						
-Spot and forwards	24,767	157	151	18,628	8	1,036
-Currency swaps	2,37,654	27,706	228	2,45,228	5,533	3,505
-Options purchased	11,079	2,129	-	-	-	-
Subtotal (i)	**2,73,500**	**29,992**	**379**	**2,63,856**	**5,541**	**4,541**
(ii) Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	-	-	3,767	-	176	761
Subtotal(ii)	**-**	**-**	**3,767**	**-**	**176**	**761**
Total Derivative Financial Instruments(i)+(ii)	**2,73,500**	**29,992**	**4,146**	**2,63,856**	**5,717**	**5,302**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:	-	-	-	-	-	-
Subtotal (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Cash flow hedging:						
- Currency derivatives	1,559	20	5	4,179	1	105
- Interest rate derivatives	-	-	1,602	-	-	538
Subtotal (ii)	**1,559**	**20**	**1,607**	**4,179**	**1**	**643**
Undesignated Derivatives (iii) *#	2,71,941	29,972	2,539	2,59,677	5,716	4,659
Total Derivative Financial Instruments (i)+(ii)+(iii)	**2,73,500**	**29,992**	**4,146**	**2,63,856**	**5,717**	**5,302**

Particulars	As at March 31st, 2020			As at March 31st, 2019		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
# Includes Derivative Instruments taken towards Acceptance Liabilities on behalf of the Customer	2,249	-	142	924	7	931

The Company's risk management strategy and how it is applied to manage risk are explained in Note No. 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.

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

Outstanding Contracts	Notional amounts (₹ in Lakhs)	Timing				Average Exchange Rate #
	As at March 31st, 2020	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	
Spot and forwards - USD	1,462	-	946	516	-	76
Spot and forwards - Euro	97	97	-	-	-	78

Average exchange rate includes forward premium charge.

Spots and Forwards

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

Interest Rate Swaps

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

6. Receivables:

(I) Trade Receivables (₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
(a) Unsecured considered good	15,532	10,098
Less: Allowance for impairment loss allowance	211	393
	15,321	**9,705**
(b) Credit impaired	-	11,985
Less: Allowance for impairment loss allowance	-	11,026
	-	**959**
Total	**15,321**	**10,664**

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

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

(₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Balance at the beginning of the year	11,419	9,433
Charge in Statement of Profit and Loss	204	3,335
Utilized during the year	(11,412)	(1,349)
Balance at the end of the year	**211**	**11,419**

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

(₹ in Lakhs)

Particulars	As at March 31st, 2020		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	15,532	211	15,321
Overdue between three to six months	-	-	-
Overdue between six months to one year	-	-	-
More than 1 year overdue	-	-	-
	15,532	**211**	**15,321**

(₹ in Lakhs)

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**

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 a change in the size of the portfolio and movements between age buckets as a result of increase or decrease in credit risk of the receivables.

7. Loans (₹ in Lakhs)

Particulars	As at March 31st, 2020						As at March 31st, 2019					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
	(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	28,47,547	1,10,097	83,923	-	1,94,020	30,41,567	14,59,069	2,52,621	40,008	-	2,92,629	17,51,698
(ii) Leasing (Refer Note No. 7.1)	6,129	-	-	-	-	6,129	75,381	-	-	-	-	75,381
(iii) Others												
Inter-Corporate Deposits	199	-	-	-	-	199	-	-	-	-	-	-
Letter of credit	17,098	-	-	-	-	17,098	92,382	-	-	-	-	92,382
Total (A) Gross	**28,70,973**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,64,993**	**16,26,832**	**2,52,621**	**40,008**	**-**	**2,92,629**	**19,19,461**
Less: Impairment loss allowance	1,60,894	-	-	-	-	1,60,894	57,974	-	-	-	-	57,974
Total (A) Net	**27,10,079**	**1,10,097**	**83,923**	**-**	**1,94,020**	**29,04,099**	**15,68,858**	**2,52,621**	**40,008**	**-**	**2,92,629**	**18,61,487**
(B)												
(i) Secured by tangible assets/ cash flows*	27,79,960	1,10,097	83,923	-	1,94,020	29,73,980	15,33,301	2,52,621	40,008	-	2,92,629	18,25,930
(ii) Unsecured	91,013	-	-	-	-	91,013	93,531	-	-	-	-	93,531
Total (B) Gross	**28,70,973**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,64,993**	**16,26,832**	**2,52,621**	**40,008**	**-**	**2,92,629**	**19,19,461**
Less: Impairment loss allowance	1,60,894	-	-	-	-	1,60,894	57,974	-	-	-	-	57,974
Total (B) Net	**27,10,079**	**1,10,097**	**83,923**	**-**	**1,94,020**	**29,04,099**	**15,68,858**	**2,52,621**	**40,008**	**-**	**2,92,629**	**18,61,487**
(C)												
In India												
(i) Public Sector	2,096	-	-	-	-	2,096	1,940	-	-	-	-	1,940
(ii) Others	28,68,877	1,10,097	83,923	-	1,94,020	30,62,897	16,24,892	2,52,621	40,008	-	2,92,629	19,17,521
Total (C) Gross	**28,70,973**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,64,993**	**16,26,832**	**2,52,621**	**40,008**	**-**	**2,92,629**	**19,19,461**
Less: Impairment loss allowance	1,60,894	-	-	-	-	1,60,894	57,974	-	-	-	-	57,974
Total (C) Net	**27,10,079**	**1,10,097**	**83,923**	**-**	**1,94,020**	**29,04,099**	**15,68,858**	**2,52,621**	**40,008**	**-**	**2,92,629**	**18,61,487**

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

7. Loans (continued)

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

(₹ in Lakhs)

Particulars	As at March 31st, 2020				As at March 31st, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	**14,84,826**	**2,27,885**	**1,66,742**	**18,79,453**	**13,17,105**	**3,77,857**	**85,580**	**17,80,542**
Assets Transferred pursuant to Slump Exchange (refer Note No. 48)	8,38,978	11,250	2,27,458	10,77,686	-	-	-	-
New assets originated or purchased	13,54,892	1,250	2,500	13,58,642	12,05,234	60,004	20,055	12,85,293
Assets derecognised or repaid (excluding write offs) #	(11,32,651)	(1,04,102)	(81,492)	(13,18,245)	(10,50,039)	(97,597)	(11,681)	(11,59,317)
Transfers to Stage 1	89,839	(67,629)	(22,210)	-	1,92,000	(1,81,682)	(10,318)	-
Transfers to Stage 2	(1,04,044)	1,37,571	(33,527)	-	(1,28,098)	1,28,249	(151)	-
Transfers to Stage 3	(72,925)	(16,536)	89,461	-	(51,376)	(58,946)	1,10,322	-
Amounts written off	-	-	(16,466)	(16,466)	-	-	(27,065)	(27,065)
Gross carrying amount - closing balance	**24,58,915**	**1,89,689**	**3,32,466**	**29,81,070**	**14,84,826**	**2,27,885**	**1,66,742**	**18,79,453**

ii. Reconciliation of ECL balance is given below: *

(₹ in Lakhs)

Particulars	As at March 31st, 2020				As at March 31st, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**12,626**	**13,065**	**35,904**	**61,595**	**13,865**	**11,063**	**35,115**	**60,043**
Assets Transferred pursuant to Slump Exchange (refer Note No. 48)	23,291	460	53,096	76,847	-	-	-	-
New assets originated or purchased	17,917	47	737	18,701	6,403	5,478	3,327	15,208
Assets derecognised or repaid (excluding write offs) #	(29,090)	8,120	36,025	15,055	(6,323)	(2,308)	(10,268)	(18,899)
Transfers to Stage 1	13,595	(5,692)	(7,903)	-	613	(4,845)	(4,803)	(9,035)
Transfers to Stage 2	(1,415)	6,915	(5,500)	-	(1,240)	5,819	(63)	4,516
Transfers to Stage 3	(9,506)	(1,334)	10,840	-	(692)	(2,142)	13,227	10,393
Amounts written off	-	-	(9,950)	(9,950)	-	-	(631)	(631)
ECL allowance - closing balance	**27,418**	**21,581**	**1,13,249**	**1,62,248**	**12,626**	**13,065**	**35,904**	**61,595**

* Includes ECL allowance of ₹ 848 Lakhs (March 31st, 2019 ₹ 540 Lakhs) on off balance sheet exposure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 1,354 Lakhs (March 31st, 2019 ₹ 3,621 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 ₹ 9,283 Lakhs (March 31st, 2019: ₹ 6,195 Lakhs).

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

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 recognised any contingent rent as income during the year.
The details of gross Investments, unearned finance income and future minimum lease payments in respect of the above non-cancellable finance lease are as follows :

Gross Investments (₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
i. not later than one year	2,686	28,152
ii. later than one year and not later than five years	6,964	63,388
iii. later than five years	-	4
Total	**9,650**	**91,544**

Unearned finance Income (₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
i. not later than one year	2,075	7,782
ii. later than one year and not later than five years	1,446	8,381
iii. later than five years	-	-
Total	**3,521**	**16,163**

Minimum lease payments (₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
i. not later than one year	611	20,370
ii. later than one year and not later than five years	5,518	55,007
iii. later than five years	-	4
Total	**6,129**	**75,381**

8. Investments (₹ in Lakhs)

Particulars	As at March 31st, 2020							As at March 31st, 2019						
	Amortised cost	At Fair Value				Others	Total	Amortised cost	At Fair Value				Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Debt Securities	11,086	-	33,491	-	33,491	-	44,577	-	-	10,023	-	10,023	-	10,023
Equity Instruments	-	-	31,162	-	31,162	-	31,162	-	-	318	-	318	-	318
Total Gross (A)	**11,086**	**-**	**64,653**	**-**	**64,653**	**-**	**75,739**	**-**	**-**	**10,341**	**-**	**10,341**	**-**	**10,341**
(i) Overseas Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	11,086	-	64,653	-	64,653	-	75,739	-	-	10,341	-	10,341	-	10,341
Total (B)	**11,086**	**-**	**64,653**	**-**	**64,653**	**-**	**75,739**	**-**	**-**	**10,341**	**-**	**10,341**	**-**	**10,341**
Less: Impairment loss allowance (C)	9,590	-	-	-	-	-	9,590	-	-	-	-	-	-	-
Total - Net D= (A)-(C)	**1,496**	**-**	**64,653**	**-**	**64,653**	**-**	**66,149**	**-**	**-**	**10,341**	**-**	**10,341**	**-**	**10,341**

9. Other Financial Assets (₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Security Deposits		
To Related Parties	2,400	2,400
To Others	1,219	445
Rental accrued but not due	10,050	13,303
Less: Impairment loss allowance for Rental accrued but not due [Refer Note No. 6(I)(a)]	(117)	(490)
Interest retained on Pool Assigned	31,608	11,057
Less: Impairment loss allowance for Interest retained on Pool Assigned	(1,300)	(307)
Claims Receivable (measured at fair value through profit or loss)	51,015	21,022
Others	191	538
Total	**95,066**	**47,968**

10. Current Tax Assets (Net) (₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Advance income tax [net of Income tax provision of ₹ 74,540 lakhs (March 31st, 2019 : ₹ Nil)]	5,839	-
Total	**5,839**	**-**

10(i). 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, 2020	For the year ended March 31st, 2019
Profit Before Tax	**10,034**	**45,673**
Statutory Income Tax Rate	34.944%	34.944%
Expected income tax expense at statutory income tax rate	3,506	15,960
Adjustments for :		
(i) Income exempt from tax/Items not deductible	937	1,146
(ii) Effect of different tax rate on certain items	-	(2,071)
Total Tax Expense recognised in the Statement of Profit and Loss	**4,443**	**15,035**

11. Deferred Tax (Assets)/Liabilities (Net)

(₹ in Lakhs)

Particulars	Balance as at April 1st, 2019	Recognised/ (reversed) in the Statement of Profit and Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to the Statement of Profit and Loss/adjusted with current tax liabilities	Recognised in Balance Sheet on account of slump exchange (Refer Note no. 48)	Balance as at March 31st, 2020
Deferred Tax Liabilities on						
Property, Plant and Equipment and Intangible Assets	31,160	(408)	-	-	8,366	39,118
Gross Deferred Tax Liabilities	**31,160**	**(408)**	**-**	**-**	**8,366**	**39,118**
Deferred Tax Assets on						
Financial Assets and Liabilities at fair value	1,146	241	(1,249)	2,199	(963)	1,374
Financial Assets and Liabilities at amortised cost	11,414	(7,662)	-	-	29,688	33,440
Loss under Income Tax	-	2,547	-	-	-	2,547
Other timing differences	110	23	-	-	124	257
Gross Deferred Tax Assets	**12,670**	**(4,851)**	**(1,249)**	**2,199**	**28,849**	**37,618**
Net Deferred Tax Liabilities before MAT Credit Entitlement	**18,490**	**4,443**	**1,249**	**(2,199)**	**(20,483)**	**1,500**
Less: MAT Credit Entitlement	-	(4,333)	-	-	-	(4,333)
Deferred Tax Liabilities/(Assets) (Net)	**18,490**	**110**	**1,249**	**(2,199)**	**(20,483)**	**(2,833)**

11. Deferred Tax (Assets)/Liabilities (Net) (continued) **(₹ in Lakhs)**

Particulars	Balance as at March 31st, 2018	Recognised/ (reversed) in the Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to the 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
Gross Deferred Tax Liabilities	**34,928**	**(195)**	**-**	**(3,573)**	**-**	**31,160**
Deferred Tax Assets on						
Financial Assets and Liabilities at fair value	2,990	(1,484)	(1,973)	1,613	-	1,146
Financial Assets and Liabilities at amortised cost	10,136	1,278	-	-	-	11,414
Other timing differences	58	48	4	-	-	110
Gross Deferred Tax Assets	**13,184**	**(158)**	**(1,969)**	**1,613**	**-**	**12,670**
Net Deferred Tax Liabilities before MAT Credit Entitlement	**21,744**	**(37)**	**1,969**	**(5,186)**	**-**	**18,490**
Less: MAT Credit Entitlement	3,899	-	-	-	(3,899)	-
Deferred Tax Liabilities/(Assets) (Net)	**17,845**	**(37)**	**1,969**	**(5,186)**	**3,899**	**18,490**

12. Other Non-Financial Assets **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
Capital Advances	802	1,622
Repossessed Assets and Assets acquired in satisfaction of debt*	47,663	49,680
Advance to Vendors	3,003	3,234
Advances to Employees	282	371
Balances with Service Tax/VAT/GST authorities	3,420	36,487
Others	820	229
Total	**55,990**	**91,623**

* Includes repossessed assets amounting to ₹ 43,383 Lakhs (previous year ₹ 30,630 Lakhs) and also includes assets/collaterals acquired in satisfaction of debt amounting to ₹ 4,280 Lakhs (previous year ₹ 19,050 Lakhs).

13. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross block					Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2019	Assets acquired under slump exchange transaction (refer Note No. 48)	Additions	Disposals and other adjustments	As at March 31st, 2020	As at April 1st, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2020	As at March 31st, 2020
Assets for Own use											
Land- Freehold	4	-	16,056	-	16,060	-	-	-	-	-	16,060
Buildings	76	3,958	1,447	-	5,481	3	40	-	-	43	5,438
Furniture and fixtures	674	2,493	13	15	3,165	369	380	-	12	737	2,428
Plant and Machinery	22,474	-	-	-	22,474	2,046	1,023	-	-	3,069	19,405
Motor vehicles	301	24	79	24	380	75	71	-	19	126	254
Leasehold Improvements	-	2,320	4	-	2,324	-	328		-	328	1,996
Computers and office equipment	901	162	30	3	1,090	662	151	-	3	810	280
(A)	**24,430**	**8,957**	**17,629**	**42**	**50,974**	**3,155**	**1,993**	**-**	**34**	**5,113**	**45,861**
Assets given on operating lease											
Aircrafts	379	-	-	-	379	81	41	-	-	122	257
Earthmoving Equipment	1,63,855	-	757	10,658	1,53,954	41,176	24,673	-	4,040	61,809	92,145
Motor vehicles	1,00,141	-	1,533	4,517	97,157	29,105	15,823	-	1,745	43,183	53,974
Plant and Machinery	2,27,715	29,161	8,201	90,905	1,74,172	36,825	22,054	-	15,349	43,530	1,30,642
Wind Mills	9,968	-	-	-	9,968	1,913	956	-	-	2,869	7,099
Computers	42,381	-	354	2,283	40,452	13,347	8,211	-	1,362	20,196	20,256
Furniture and fixtures	10,102	-	207	1,080	9,229	2,131	1,187	-	429	2,889	6,340
(B)	**5,54,541**	**29,161**	**11,052**	**1,09,443**	**4,85,311**	**1,24,578**	**72,945**	**-**	**22,925**	**1,74,598**	**3,10,713**
Total for Tangible assets (C)= (A+B)	**5,78,971**	**38,118**	**28,681**	**1,09,485**	**5,36,285**	**1,27,733**	**74,938**	**-**	**22,959**	**1,79,711**	**3,56,574**

(₹ 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**

14. Leases

a) In the capacity of Lessee

Effective April 1st, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1st, 2019 using the modified retrospective method wherein the right-of-use asset is recognized at the date of initial application i.e the beginning of the annual reporting period in which an entity first applies this Standard. The righ-of-use(ROU) asset is measured at an amount equal to the lease liability on the date of initial application which is amortized over the remaining lease term. The Company recorded the lease liability at the present value of the lease payments discounted at the average cost of borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the average cost of borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31st, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31st, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset of ₹ 2,424 lakhs and a 'Lease Liabilities' of ₹ 2,424 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The average cost of borrowing rate applied to lease liabilities as at April 1st, 2019 is 10.61%.

Following are the changes in the carrying value of right of use assets for the year ended March 31st, 2020:

(₹ in Lakhs)

Particulars	As at March 31st, 2020
Balance as of April 1st, 2019	**2,424**
Addition	-
Deletion	(646)
Depreciation	(568)
Balance as of March 31st, 2020	**1,210**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31st, 2020:

(₹ in Lakhs)

Particulars	As at March 31st, 2020
Balance as of April 1st, 2019	**2,424**
Addition	-
Deletion	(645)
Finance cost accrued during the year	189
Payment of lease liabilities	(676)
Balance as of March 31st, 2020	**1,292**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31st, 2020 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31st, 2020
Less than one year	578
One to five years	980
More than five years	-
Total	**1,558**

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

Rental expense recorded for short-term leases was ₹ 2,023 lakhs for the year ended March 31st, 2020

b) In the capacity of Lessor (Operating lease)

The Company has given assets on operating lease arrangements (refer Note No. 13) for periods ranging between 1 to 20 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, 2020 is amounting to ₹ 494 lakhs (As at March 31st, 2019 : ₹ 895 lakhs)

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

(₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Not later than one year	85,879	1,28,158
Later than one year but not later than five years	1,20,477	2,42,918
Later than five years	322	2,843
Total	**2,06,678**	**3,73,919**

15. Other Intangible Assets

(₹ in Lakhs)

Particulars	Gross block					Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2019	Assets acquired under slump exchange transaction (refer Note No. 48)	Additions	Disposals and other adjustments	As at March 31st, 2020	As at April 1st, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2020	As at March 31st, 2020
Assets for Own use											
Softwares	1,732	7	311	-	2,050	1,394	277	-	-	1,671	379
(A)	**1,732**	**7**	**311**	**-**	**2,050**	**1,394**	**277**	**-**	**-**	**1,671**	**379**
Assets given on operating lease											
Softwares	847			165	682	650	107		141	616	66
(B)	**847**	**-**	**-**	**165**	**682**	**650**	**107**	**-**	**141**	**616**	**66**
Total for Other Intangible assets (A+B)	**2,579**	**7**	**311**	**165**	**2,732**	**2,044**	**384**	**-**	**141**	**2,287**	**445**

(₹ 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**

16. Payables

I Trade Payables

(i) Total outstanding dues of Micro Enterprises and Small Enterprises

(₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	-	-

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

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

(₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Due to others		
Acceptances	17,280	92,430
Other than Acceptance	95,791	74,876
Total	**1,13,071**	**1,67,306**

17. Debt Securities

(₹ in Lakhs)

Particulars	As at March 31st, 2020				As at March 31st, 2019			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
A. Secured								
Non-convertible debentures (Refer Note No. 17.1)	2,58,968	-	-	2,58,968	1,94,030	-	-	1,94,030
Long Term Infrastructure Bond (Refer Note No. 17.2)	3,544	-	-	3,544	-	-	-	-
B. Unsecured								
Non-convertible debentures (Refer Note No. 17.3)	213	-	-	213	213	-	-	213
Total (A+B)	**2,62,725**	**-**	**-**	**2,62,725**	**1,94,243**	**-**	**-**	**1,94,243**
Debt securities in India	2,62,725	-	-	2,62,725	1,94,243	-	-	1,94,243
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**2,62,725**	**-**	**-**	**2,62,725**	**1,94,243**	**-**	**-**	**1,94,243**

17.1 Secured Non-Convertible Debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lakhs) ##		Interest rate (%)	Earliest redemption date
		As at March 31st, 2020	As at March 31st, 2019		
18 January 2018	10,00,000	1,000	1,000	9%	18 January 2028
20 December 2016	10,00,000	1,000	1,000	9%	20 December 2026
26 March 2018	10,00,000	1,650	1,650	9%	26 March 2025
09 December 2014	10,00,000	1,900	-	10%	09 December 2024
03 October 2017	10,00,000	600	600	9%	03 October 2024
15 September 2017	10,00,000	2,350	2,350	9%	15 September 2024
22 June 2017	10,00,000	2,000	2,000	9%	22 June 2024
20 June, 2014 $$	10,00,000	1,000	1,000	11%	20 June 2024
13 June, 2014 $$	10,00,000	1,000	1,000	11%	13 June 2024
10 June 2014	10,00,000	1,000	-	11%	10 June 2024
31 May 2017	10,00,000	1,000	1,000	9%	31 May 2024
26 May 2017	10,00,000	2,000	2,000	9%	26 May 2024
30 January 2019	10,00,000	30,000	30,000	11%	30 January 2024
02 December 2016	10,00,000	500	500	9%	02 December 2023
29 November 2013	10,00,000	450	-	11%	29 November 2023
04 April 2018	10,00,000	1,400	1,400	8%	04 April 2023
14 March 2018	10,00,000	500	500	8%	14 March 2023
24 January 2013	10,00,000	110	-	12%	24 January 2023
05 October 2012	10,00,000	2,000	-	11%	05 October 2022
31 July 2012	10,00,000	130	-	11%	31 July 2022
8 June 2012 $	10,00,000	70	-	11%	08 June 2022
29 October 2011	10,00,000	3,000	-	12%	29 October 2021
06 October 2016	10,00,000	500	500	10%	06 October 2021
09 September 2011	10,00,000	1,000	-	12%	09 September 2021
28 December 2017	10,00,000	500	500	9%	28 December 2020
16 October, 2017 $$	10,00,000	15,000	15,000	9%	16 October 2020
11 May, 2015 #	1,000	6,386	6,386	*	*
17 January, 2017 #	1,000	33,842	49,204	**	**
25 May 2018 $	1,000	41,598	50,981	***	***
24 January 2019	1,000	14,005	17,072	****	****
28 July 2015	1,000	8,834		@	@
06 October 2016	1,000	15,585	-	@@	@@
27 February 2017	1,000	17,547	-	@@@	@@@
16 March 2018	1,000	27,110	-	@@@@	@@@@
15 May 2019	1,000	10,576	-	@@@@@	@@@@@
Total		**2,47,143**	**1,85,643**		

* The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 5 - 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 9.75%.
*** 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%.
@ The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 5 Years having rate of interest ranging from 10.25% to 11.25%.
@@ The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 5 Years having rate of interest ranging from 9.60% to 10%.
@@@ The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 5 Years having rate of interest ranging from 9.12% to 9.75%.
@@@@ 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 8.43% to 9.25%.
@@@@@ 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 11%.
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 2,694 Lakhs (March 31st, 2019: ₹ 1,805 lakhs). Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 14,523 lakhs (31st March, 2019: ₹ 10,197 lakhs). Does not include discounting on face value impact of ₹ 4 lakhs (31st March, 2019: ₹ 5 lakhs).

Security:
$ The secured non-convertible debentures are secured by way of pari passu charge on the company immovable property located at West Bengal/New Delhi.
$$ The Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at West Bengal and specific receivables/ assets of the Company.
All the above non-convertible debentures except those marked $ and $$ are Secured against Receivables/Assets of the Company and mortgage of immovable properties located at West Bengal.
The public Issue of Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at Tamil Nadu 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.

17.2 Long Term Infrastructure Bond

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) *		Coupon rate (%)	Earliest redemption date
		As at March 31st, 2020	As at March 31st, 2019		
22 March 2012	1,000	967	-	9%	22 March 2027
22 March 2012	1,000	1,055	-	9%	22 March 2022
Total		**2,022**	-		

* Does not includes Interest Accrued and not due in accordance with IndAS 109₹ 1,523 lakhs (31st March, 2019: ₹ NIL)
Security:
Long term infrastructure bonds are secured by way of pari-passu mortgage/charge on immovable properties located at West Bengal and exclusive charge on specific receivables of the Company.

17.3 Unsecured non-convertible debentures

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

The above debentures are redeemable at par in single instalment.
* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 0.01 lakhs (31st March, 2019: ₹ 0.17 lakhs). Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 13 lakhs (31st March, 2019: ₹ 13 lakhs)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2020

18. Borrowings (Other than Debt Securities) **(₹ in Lakhs)**

Particulars	As at March 31st, 2020				As at March 31st, 2019			
	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
SECURED								
(a) Term Loans (Refer Note No. 18.1)								
(i) From Banks								
Rupee loans	2,62,502	-	-	2,62,502	1,66,738	-	-	1,66,738
Foreign currency loans	93,188	-	-	93,188	75,388	-	-	75,388
(ii) From Others								
Rupee loans	1,66,610	-	-	1,66,610	2,40,780	-	-	2,40,780
Foreign currency loans	1,25,165	-	-	1,25,165	1,18,375	-	-	1,18,375
(b) Working capital facilities (Refer Note No. 18.2)								
(i) From Banks								
Rupee loans	18,02,460	-	-	18,02,460	9,30,903	-	-	9,30,903
(c) Collateralised Borrowings (Refer Note No. 18.3)	79,529	-	-	79,529	1,35,188	-	-	1,35,188
UNSECURED								
(a) Term Loans (Refer Note No. 18.4)								
(i) From Banks								
Rupee loans	-	-	-	-	-	-	-	-
Foreign currency loans	56,002	-	-	56,002	34,674	-	-	34,674
(ii) From Others								
Foreign currency loans	8,177	-	-	8,177				
(b) Commercial Paper (Refer Note No. 18.5)	29,339	-	-	29,339	31,748	-	-	31,748
(c) Inter corporate deposit (Refer Note No. 18.6)	17,635	-	-	17,635	-	-	-	-
Total	**26,40,607**	**-**	**-**	**26,40,607**	**17,33,794**	**-**	**-**	**17,33,794**
Borrowings in India	24,05,743	-	-	24,05,743	15,54,870	-	-	15,54,870
Borrowings outside India	2,34,864	-	-	2,34,864	1,78,924	-	-	1,78,924
Total	**26,40,607**	**-**	**-**	**26,40,607**	**17,33,794**	**-**	**-**	**17,33,794**

18.1 Secured Term Loans

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2020	Repayment terms (₹ in Lakhs) Monthly	Quarterly	Half yearly	Single instalment	Balance tenure (years)	Rate of Interest per annum	Nature of security
Rupee term loans								
From banks *	2,62,900	11,484	1,90,189	61,227	-	0 - 6	8%-13%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
From financial institutions **	1,64,813	-	80,625	84,188	-	1 - 5	8%-13%	
Total	**4,27,713**	**11,484**	**2,70,814**	**1,45,415**	**-**			
Foreign currency term loans								
From banks #	93,523	-	-	93,523	-	3 - 5	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
From financial Institutions ##	1,25,120	-	-	1,15,676	9,444	0 - 9	<10%	
Total	**2,18,643**	**-**	**-**	**2,09,199**	**9,444**			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 552 lakhs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 154 lakhs. The Company has applied Moratorium on borrowings in accordance with COVID-19 Regulatory Package announced by RBI and the approval for the same is under process with a few lenders. In view of this, such deferment of dues has not been considered as default by the Company.
** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 22 lakhs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 1,819 lakhs
# Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,229 lakhs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 893 lakhs
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 702 lakhs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 747 lakhs

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2019	Repayment terms (₹ in Lakhs) Monthly	Quarterly	Half yearly	Single instalment	Balance tenure (years)	Rate of Interest per annum	Nature of security
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.
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	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
from financial Institutions ##	1,18,268	-	-	1,09,624	8,644	1 - 9	<10%	
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 Interest Accrued and not due in accordance with IndAS 109 ₹ 140 lakhs.
** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 41 lakhs. Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 2,509 lakhs.
# Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,492 lakhs. Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 816 lakhs.
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 630 lakhs. Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 738 lakhs.

18.2 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 March 31st, 2020 working capital facilities from banks include working capital demand loans aggregating ₹ 688,156 lakhs (March 31st, 2019: ₹ 250,000 lakhs). Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 1,821 Lakhs (March 31st, 2019 : ₹ 211 Lakhs). Rate of interest for working capital demand loans ranges from 8% to 14% per annum (March 31st, 2019 : from 8% to 10% per annum) and for other working capital facilities (cash credits), ranges from 9% to 14% per annum (March 31st, 2019 : from 9% to 13% per annum). The Company has applied Moratorium on borrowings in accordance with COVID-19 Regulatory Package announced by RBI and the approval for the same is under process with a few lenders. In view of this, such deferment of dues has not been considered as default by the Company.

18.3 Secured Collateralised Borrowings

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2020	Repayment terms (₹ in Lakhs) Monthly	Quarterly	Single instalment	Balance tenure (years)	Rate of Interest per annum	Nature of security
Collateralised Borrowings *	80,266	71,998	8,268	-	1-4	7%-11%	This represent amount received against securitisation of hypothecation loan, which does not qualify for derecognition, and assignment of future lease rentals.
Total	**80,266**	**71,998**	**8,268**	**-**			

* Does not include effective interest rate adjustment in accordance with Ind AS 109 ₹ 1,157 lakhs. Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 420 lakhs

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2019	Repayment terms (₹ in Lakhs) Monthly	Quarterly	Single instalment	Balance tenure (years)	Rate of Interest per annum	Nature of security
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 Ind AS 109 ₹ 672 lakhs. Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 580 lakhs

18.4 Unsecured term loans

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2020	Repayment terms (₹ in Lakhs) Quarterly	Half yearly	Yearly	Balance tenure (years)	Rate of Interest per annum
Foreign currency term loan from bank *	56,108	-	33,443	22,665	4-9	<10%
Foreign currency term loan from financial Institutions **	8,245	-	8,245	-	7-8	<10%
Total	**64,353**	**-**	**41,688**	**22,665**		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 598 lakhs. Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 492 lakhs

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 71 lakhs. Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 4 lakhs

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

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 711 lakhs. Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 168 lakhs

18.5 Commercial Paper

Rate of Interest ranges from 7% to 10% per annum (March 31st, 2019 : 7% to 11% per annum). The maximum amount outstanding during the year was 52,100 lakhs (March 31st, 2019 : ₹ 445,900 Lakhs). Includes Unamortised Discounting Charges on Commercial Paper amounting to ₹ 661 Lakhs (March 31st, 2019 : ₹ 652 Lakhs)

18.6 Unsecured Intercorporate deposits

Rate of Interest ranges from 9% to 11% per annum (March 31st, 2019 : Nil).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2020

19. Subordinated Liabilities (₹ in Lakhs)

Particulars	As at March 31st, 2020				As at March 31st, 2019			
	Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
UNSECURED								
- Rupee subordinated loans (Tier II Capital) (Refer Note No. 19.1)	15,054	-	-	15,054	5,025	-	-	5,025
Subordinated redeemable non convertible debentures (Tier II Capital) (Refer Note No. 19.2)	2,19,487	-	-	2,19,487	1,72,157	-	-	1,72,157
Subordinated perpetual debentures (Tier I Capital) (Refer Note No. 19.3)	14,195	-	-	14,195	14,191	-	-	14,191
Total	**2,48,736**	**-**	**-**	**2,48,736**	**1,91,373**	**-**	**-**	**1,91,373**
Subordinated Liabilities in India	2,48,736	-	-	2,48,736	1,91,373	-	-	1,91,373
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total	**2,48,736**	**-**	**-**	**2,48,736**	**1,91,373**	**-**	**-**	**1,91,373**

19.1 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, 2020	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) *	15,092	-	-	15,092	1 - 3	10%-11%
Total	**15,092**	**-**	**-**	**15,092**		

* Does not include effective interest rate adjustment in accordance with Ind AS 109 ₹ 84 lakhs. Does not include Interest Accrued and not due in accordance with Ind AS 109 ₹ 47 lakhs. The Company has applied Moratorium on borrowings in accordance with COVID-19 Regulatory Package announced by RBI and the approval for the same is under process with a few lenders. In view of this, such deferment of dues has not been considered as default by the Company.

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 Ind AS 109 ₹ 21 lakhs. Does not include Interest Accrued and not due in accordance with Ind AS 109 ₹ 46 lakhs

19.2 Unsecured subordinated redeemable non-convertible debentures (Tier II Capital)

During the year ended March 31st, 2020, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ Nil (March 31st, 2019 ₹ 6,928 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, 2020	As at March 31st, 2019		
24 January 2019	1,000	1,428	1,428	*	*
08 August 2017	1,000	56,199	56,199	*	*
16 March 2018	1,000	2,701	-	**	**
10 October 2018	10,00,000	500	500	10%	10 October 2028
23 June 2017	10,00,000	4,500	4,500	9%	23 June 2027
30 March 2017	10,00,000	5,000	5,000	10%	30 March 2027
04 November 2016	10,00,000	1,000	1,000	10%	04 November 2026
07 October 2016	10,00,000	4,000	4,000	11%	07 October 2026
04 October 2016	10,00,000	1,500	1,500	11%	04 October 2026
24 August 2016	10,00,000	3,000	3,000	10%	24 August 2026
26 May 2016	10,00,000	350	350	10%	26 May 2026
25 May 2016	10,00,000	2,000	2,000	11%	25 May 2026
31 March 2016	10,00,000	2,000	2,000	10%	31 March 2026
18 March 2016	10,00,000	500	500	11%	18 March 2026
05 February 2016	10,00,000	500	500	11%	05 February 2026
20 January 2016	10,00,000	500	500	11%	20 January 2026
11 January 2016	10,00,000	1,500	1,500	11%	11 January 2026
24 September 2015	10,00,000	500	500	11%	24 September 2025
20 August 2015	10,00,000	1,000	1,000	11%	20 August 2025
13 August 2015	10,00,000	15,000	15,000	11%	13 August 2025
16 March 2015	10,00,000	500	500	11%	16 March 2025
01 March 2017	10,00,000	500	500	10%	01 June 2024
03 July 2018	10,00,000	5,000	5,000	10%	03 May 2024
25 October 2016	10,00,000	5,000	5,000	10%	25 April 2024
10 March 2017	10,00,000	7,500	7,500	11%	10 March 2024
17 July 2013	10,00,000	2,300	-	11%	17 July 2023
29 June 2013	10,00,000	3,540	-	11%	29 June 2023
07 May 2013	10,00,000	2,080	2,080	11%	07 May 2023
24 September 2015	10,00,000	1,200	1,200	10%	24 April 2023
29 March 2016	10,00,000	200	200	11%	29 March 2023
28 March 2013	10,00,000	1,650	-	11%	28 March 2023
01 March 2013	10,00,000	1,750	-	11%	01 March 2023
28 January 2013	10,00,000	700	-	12%	28 January 2023
24 January 2013	10,00,000	900	900	11%	24 January 2023
24 January 2013	10,00,000	6,070	-	12%	24 January 2023
16 January 2013	10,00,000	250	-	12%	16 January 2023
16 January 2013	10,00,000	7,000	-	12%	16 January 2023
17 December 2012	10,00,000	1,700	1,700	12%	17 December 2022
31 October 2012	10,00,000	490	-	12%	31 October 2022
18 October 2012	10,00,000	1,060	-	12%	18 October 2022
28 September 2012	10,00,000	2,890	-	12%	28 September 2022
13 August 2015	10,00,000	5,000	5,000	11%	13 August 2022
31 July 2012	1,00,000	1,206	-	12%	31 July 2022
09 March 2017	10,00,000	500	500	10%	09 June 2022
01 June 2012	1,00,000	1,130	-	12%	01 June 2022
30 March 2012	10,00,000	10,000	-	11%	30 March 2022
12 January 2012	1,00,000	8,410	-	12%	12 January 2022
11 January 2012	1,00,000	6,600	-	12%	11 January 2022
23 December 2011	1,00,000	6,905	-	12%	23 December 2021
01 February 2016	10,00,000	700	700	10%	01 May 2021
24 September 2015	10,00,000	2,360	2,360	10%	24 April 2021
20 December 2013	10,00,000	1,000	1,000	11%	20 December 2020
10 November 2010	10,00,000	5,000	-	11%	10 November 2020
27 September 2013	10,00,000	1,600	1,600	11%	27 September 2020
17 July 2013	10,00,000	500	-	11%	17 July 2020
31 March 2015	10,00,000	3,600	3,600	11%	30 June 2020
29 June 2013	10,00,000	1,000	1,000	11%	29 June 2020
29 June 2013	10,00,000	1,160	-	11%	29 June 2020
31 March 2010	10,00,000	-	7,450	10%	31 March 2020
19 March 2010	10,00,000	-	2,550	10%	19 March 2020
23 December 2009	10,00,000	-	10,000	10%	23 December 2019
29 November 2013	10,00,000	-	1,000	11%	29 May 2019
29 November 2013	10,00,000	-	500	11%	29 May 2019
24 July 2013	10,00,000	-	1,500	11%	24 May 2019
29 June 2013	10,00,000	-	2,500	11%	29 April 2019
Total		**2,12,629**	**1,66,817**		

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.

** The above debenture are allotted through public issue of Unsecured Subordinate Non Convertible Debenture and are redeemable over a tenure of 10 years having rate of interest ranging from 9.12% per annum to 9.75% per annum.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 2,704 lakhs (31st March, 2019: ₹ 2,828 lakhs). Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 9,704 lakhs (31st March, 2019: ₹ 8,330 lakhs). Does not include discounting on face value impact of ₹ 142 lakhs (31st March, 2019: ₹ 162 lakhs)

19.3 Unsecured subordinated perpetual debentures *

During the year ended March 31st, 2020, the Company raised Unsecured subordinated perpetual debentures amounting NIL (March 31st, 2019 ₹ 10,000 lakhs). As at March 31st 2020, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 13,750 lakhs (March 31st, 2019 : ₹ 13,750 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, 2020	As at March 31st, 2019		
13 December 2018	10,00,000	10,000	10,000	11%	13 December 2028
30 December 2011	10,00,000	3,750	3,750	13%	30 December 2021
Total		**13,750**	**13,750**		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 4 lakhs (March 31st, 2019: ₹ 5 lakhs). Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 450 lakhs (March 31st, 2019: ₹ 447 lakhs).

20. Other Financial Liabilities **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
Trade deposits received	23,069	39,965
Advance From Operating Lease customer	4,256	1,027
Payable to Employees	965	1,059
Commission payable to Directors	-	611
Liability for Operating Expenses	3,068	2,509
Financial Guarantee Contract Liability	315	-
Unclaimed debentures and interest accrued thereon	393	258
Others	562	164
Total	**32,628**	**45,593**

21. Current Tax Liabilities (Net) **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
Current Tax Liabilities [net of advance income tax of ₹ Nil (March 31st, 2019 : ₹ 70,114 lakhs)]	-	93
Total	**-**	**93**

22. Provisions **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
Provision for Gratuity	730	316
Provision for compensated absence	1,045	1,057
Total	**1,775**	**1,373**

23. Other Non-Financial Liabilities **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
Pre-received amount for lease contracts	4,230	11,514
Interest Capitalisation Account	1,443	-
Statutory Remittances	1,199	1,217
Total	**6,872**	**12,731**

24. Equity Share Capital **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
Authorised		
Equity shares, ₹ 10/- face value		
50,00,00,000 (March 31st, 2019 : 50,00,00,000) Equity shares	50,000	50,000
Preference shares, ₹ 100/- face value		
5,00,00,000 (March 31st, 2019 : 5,00,00,000) Preference shares	50,000	50,000
	1,00,000	**1,00,000**
Issued, Subscribed and fully paid-up		
Equity shares, ₹ 10/- face value		
7,90,16,415 (March 31st, 2019 : 5,96,60,000) Equity shares	7,902	5,966
Total	**7,902**	**5,966**

24.1.1 Reconciliation of the number of Equity Shares outstanding

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

Equity Shares	As at March 31st, 2020		As at March 31st, 2019	
	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
Add: Issued as fully paid during the year (refer Note No. 48)	193,56,415	1,936	-	-
At the end of the year	**790,16,415**	**7,902**	**596,60,000**	**5,966**

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

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

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Class of shares and names of shareholders	As at March 31st, 2020		As at March 31st, 2019	
Equity shares, ₹ 10/- face value	No. of shares	% held	No. of shares	% held
Srei Infrastructure Finance Limited (Holding Company) *	790,16,415	100	596,60,000	100

* Including nominee shareholders

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

In the current year, the Company has given the effect of the Business Transfer Agreement with its Holding Company, Srei Infrastructure Finance Limited (SIFL) with effect from October 1st, 2019. Accordingly, the Company has allotted 1,93,56,415 equity shares of ₹ 10/- each to SIFL at a premium of ₹ 481/- per share thereby increasing the share capital by ₹ 1,936 lakhs and securities premium by ₹ 93,104 lakhs. The Company has not issued any shares without payment being received in cash from financial year 2014-15 to financial year 2018-19.

24.1.5 Refer Note No. 38 - "Capital Management" for the Company's objectives, policies and processes for managing capital.

25. Other Equity **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	39,704	33,576
Add: Transferred from Retained Earnings	1,118	6,128
Closing balance	**40,822**	**39,704**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	13,670	13,557
Add: Transferred from Retained Earnings	2,100	113
Closing balance	**15,770**	**13,670**
Capital Reserve		
Opening balance	31	31
Add: On account of slump exchange (refer Note No. 48)	2,372	-
Closing balance	**2,403**	**31**
Securities Premium		
Opening balance	1,03,980	1,03,980
Add: Received on issue of equity shares for the year (refer Note No. 48)	93,104	-
Closing balance	**1,97,084**	**1,03,980**
Debenture Redemption Reserve		
Opening balance	60,562	58,600
Add: Transferred from Retained Earnings	-	9,133
Less: Transferred to Retained Earnings on redemption	(19,075)	7,171
Closing balance	**41,487**	**60,562**
Retained Earnings		
Opening balance	62,848	40,420
Add: Profit after tax for the year	5,591	30,638
Add: Other Comprehensive Income (net of tax)	(40)	(7)
Amount available for appropriation	**68,399**	**71,051**
Appropriations:		
Less: Amount transferred to Special Reserve	1,118	6,128
Less: Amount transferred to Income Tax Special Reserve	2,100	113
Less: Amount transferred to Debt Redemption Reserve	-	9,133
Add: Amount transferred from Debt Redemption Reserve on Redemption	19,075	7,171
Closing balance	**84,256**	**62,848**
Debt Instruments through Other Comprehensive Income		
Opening balance	4,092	3,003
Add: Addition during the year	2,518	4,092
Less: Reclassified to the Statement of Profit and Loss	(4,092)	(3,003)
Closing balance	**2,518**	**4,092**
Equity Instruments through Other Comprehensive Income		
Opening balance	-	-
Add: Addition during the year	814	-
Closing balance	**814**	**-**
Effective portion of Cash Flow Hedges		
Opening balance	(419)	-
Add: Addition during the year	(615)	(419)
Less: Utilised during the year	-	-
Closing balance	**(1,034)**	**(419)**
Total	**3,84,120**	**2,84,468**

25. Other Equity (continued)

Nature and purpose of Reserves

Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)

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

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

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

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

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

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, and further in the current year, the Company has given the effect of the Business Transfer Agreement with its Holding Company, Srei Infrastructure Finance Limited (SIFL) with effect from 1st October, 2019. The surplus, being the difference between the net book value of assets and liabilities taken over and shares issued as consideration has been accounted for as Capital Reserve in the books of the Company.

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.

Debenture Redemption Reserve (DRR):

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

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

Retained Earnings:

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

Debt Instruments through Other Comprehensive Income:

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

Equity Instruments through Other Comprehensive Income:

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

Effective portion of Cash Flow Hedges:

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

26. Interest Income (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020				For the year ended March 31st, 2019			
	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	10,170	3,03,985	429	3,14,584	17,607	2,51,738	337	2,69,682
Interest income from Investment	-	1,209	619	1,828	-	-	-	-
Interest on Fixed Deposits with Banks	-	7,840	-	7,840	-	8,320	-	8,320
Total	**10,170**	**3,13,034**	**1,048**	**3,24,252**	**17,607**	**2,60,058**	**337**	**2,78,002**

27. Net gain/ (loss) on fair value changes (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020			For the year ended March 31st, 2019		
	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 *	23,219	-	23,219	2,700	-	2,700
(ii) Others						
- Investments	7,746	-	7,746	-	(392)	(392)
- Loan	4,874	-	4,874	3,277	-	3,277
- Claims Receivable	-	(3,739)	(3,739)	-	(3,008)	(3,008)
Total Net gain/(loss) on fair value changes	**35,839**	**(3,739)**	**32,100**	**5,977**	**(3,400)**	**2,577**
Fair Value changes:						
-Realised	-	3,008	3,008	-	(146)	(146)
-Unrealised	35,839	(6,747)	29,092	5,977	(3,254)	2,723
Total Net gain/(loss) on fair value changes	**35,839**	**(3,739)**	**32,100**	**5,977**	**(3,400)**	**2,577**

* 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.
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.

28. Others (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Liabilities no longer required written back	5,985	5,110
Income from joint controlled operation	1,878	2,030
Referral Income	2,141	5,947
Others	2,722	3,821
Total	**12,726**	**16,908**

29. Other Income (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Net gain or (loss) on foreign currency transaction and translation (other than considered as finance cost)	(20,787)	(2,921)
Others	556	133
Total	**(20,231)**	**(2,788)**

30. Finance Costs (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020			For the year ended March 31st, 2019		
	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	-	2,51,953	2,51,953	-	1,79,817	1,79,817
Interest on Debt Securities	-	24,406	24,406	-	14,634	14,634
Interest on Subordinated Liabilities	-	24,740	24,740	-	19,518	19,518
Other Interest Expense	-	855	855	-	892	892
Total	**-**	**3,01,954**	**3,01,954**	**-**	**2,14,861**	**2,14,861**

31. Impairment on Financial Instruments (Net) (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020			For the year ended March 31st, 2019		
	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	1,354	31,762	33,116	3,621	24,451	28,072
Others	-	455	455	-	2,670	2,670
Total	**1,354**	**32,217**	**33,571**	**3,621**	**27,121**	**30,742**

32. Employee Benefits Expenses (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Salaries and Wages	15,318	18,755
Contribution to provident and other funds*	1,092	1,144
Staff Welfare Expenses	224	339
Total	**16,634**	**20,238**

* This includes amount expended under defined contribution plans of ₹ 839 Lakhs (Previous year ₹ 956 Lakhs).

33. Other Expenses (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Rates & Taxes	256	146
Rent	2,023	1,548
Electricity charges	432	322
Repairs and Maintenance - Machinery	2,916	2,447
- Others	1,908	1,317
Communication Costs	366	324
Printing and Stationery	170	195
Travelling and Conveyance	2,712	3,687
Advertisement and Subscription	483	505
Director's fees, Allowances and Expenses	61	33
Auditor's Fees and Expenses (refer Note No. 33.1)	155	229
Legal and Professional charges	5,674	5,851
Net loss on derecognition of Property, Plant and Equipment	2,574	813
Repossession Expenses	1,826	1,730
Corporate Social Responsibility Expenses (refer Note No. 33.2)	339	525
Charity and Donations	36	28
Conference and Seminar	240	462
Insurance	187	257
Exchange Fluctuations (Net)	3	1
Other Expenditure	828	755
Total	**23,189**	**21,175**

Note: 33.1 Payments to the Auditor (including GST) (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
As Auditor - Statutory Audit & Limited Reviews	99	143
Others Services (Certification etc.)	55	75
For Reimbursement of Expenses	1	11
Total	**155**	**229**

Note: 33.2 Corporate Social Responsibility Expenses (₹ in Lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
a) Gross amount required to be spent by the Company during the year	778	514
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in Cash	339	525
Yet to be paid in cash	-	-

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34. Earnings Per Share

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Net Profit attributable to Equity Shareholders (₹ in Lakhs)	5,591	30,638
Weighted average number of Equity Shares Basic (Nos.)	693,38,208	596,60,000
Nominal Value of Equity per share (in ₹)	10	10
Basic and Diluted Earnings per share (in ₹)	8.06	51.35

35. Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Contingent liabilities		
Claims against the company not acknowledged as debt		
Disputed demands *		
- Central Sales Tax	30	43
- Entry Tax	80	56
- Service Tax	1,828	1,828
- Value Added Tax (VAT)	1,562	1,436
- Income tax	6,931	5,587
(A)	**10,431**	**8,950**
Disputed demands **		
- Sales Tax	211	-
- Service Tax	4,645	-
- Income Tax	7,905	-
(B)	**12,761**	**-**
Bank guarantees @	54,919	53,625
(C)	**54,919**	**53,625**
Total (A+B+C)	**78,111**	**62,575**
Commitments		
Estimated amount of capital contracts remaining to be executed [Net of advances of ₹ 658 lakhs (March 31st, 2019: ₹ 1,622 lakhs)]	**143**	**3,239**

* 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.

** The Company has given the effect of the Business Transfer Agreement with its Holding Company, Srei Infrastructure Finance Limited (SIFL) with effect from October 1st, 2019, by virtue of which the Company has undersigned to repay any liability with respect to disputed demands for the Transferred Undertaking (refer Note No. 48), if any arising in future. Accordingly the same has been shown as contingent liability.
@ Includes ₹ 54,851 lakhs (March 31st, 2019 : ₹ 53,567 lakhs) being the bank guarantee issued on behalf of the customer and other parties.

36. Employee Benefits

<u>Defined benefit plans</u>

(A) Gratuity Fund :-

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

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, 2020

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

(₹ in Lakhs)

Description	**Gratuity (Funded)**		**Compensated absence (Unfunded)**	
	For the year ended March 31st, 2020	**For the year ended March 31st, 2019**	**For the year ended March 31st, 2020**	**For the year ended March 31st, 2019**
1. Change in the defined benefit obligation (DBO)				
Present value of obligation at the beginning of the year	1,264	1,171	573	697
Current Service Cost	165	177	93	65
Interest Cost	80	81	22	33
Past Service Costs - plan amendments	-	-	-	-
Acquisitions Cost/credit	165	-	88	-
Actuarial (gain)/loss - experience	(55)	19	310	291
Actuarial (gain)/loss - demographic assumptions	-	-	-	-
Actuarial (gain)/loss - financial assumptions	104	13	46	6
Benefits paid	(377)	(197)	(556)	(519)
Present value of obligation at the end of the year	**1,346**	**1,264**	**576**	**573**
2. Change in plan assets				
Fair value of Plan Assets at the beginning of the year	949	1,004	-	-
Acquisitions adjustment	-	-	-	-
Interest income on plan assets	57	71		
Contributions by the employer	*	50	-	-
Return on Plan assets greater/(lesser) than discount rate	(13)	22		
Benefits paid	(377)	(198)	-	-
Fair value of Plan Assets at the end of the year	**616**	**949**	**-**	**-**

* ₹ 31,732/-

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)**	
	For the year ended March 31st, 2020	**For the year ended March 31st, 2019**	**For the year ended March 31st, 2020**	**For the year ended March 31st, 2019**
3. Amount recognised in Balance Sheet consists of:				
Fair value of Plan Assets at the end of the year	616	949	-	-
Present Value of Obligation at the end of the year	1,346	1,264	576	573
Funded status (surplus/[deficit])	(730)	(315)	(576)	(573)
Net defined benefit Asset/(Liabilities)	(730)	(315)	(576)	(573)

(₹ in Lakhs)

Description	**Gratuity (Funded)**		**Compensated absence (Unfunded)**	
4. Expenses recognised in the Statement of Profit and Loss consists of:	**For the year ended March 31st, 2020**	**For the year ended March 31st, 2019**	**For the year ended March 31st, 2020**	**For the year ended March 31st, 2019**
Employee benefits expenses:				
Current Service cost	165	177	93	65
Net Interest cost	24	11	22	33
Actuarial (Gain) / Loss due to DBO experience	-	-	309	291
Actuarial (Gain) / Loss due to DBO assumptions changes		-	45	6
Total [A]	**189**	**188**	**469**	**395**
Other Comprehensive Income				
Actuarial (Gain) / Loss due to DBO experience	(55)	19	-	-
Actuarial (Gain) / Loss due to DBO assumptions changes	104	13	-	-
Actuarial (Gain) / Loss during the period	49	32	-	-
Return on Plan assets (greater)/lesser than discount rate	12	(21)	-	-
Actuarial (Gains) / Losses recognised in OCI [B]	**61**	**11**	**-**	**-**
Adjustment for limit on net asset				
Expense recognised during the year [A+B]	**250**	**199**	**469**	**395**

The expense for the Defined Benefits (referred to in note no. 36.1 above) are included in the line item under 'Contribution to Provident and other Funds' in Note No. 32.

36.2. 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	
5. Investment Details of Plan Assets as at	**As at March 31st, 2020**	**As at March 31st, 2019**	**As at March 31st, 2020**	**As at March 31st, 2019**
Schemes of insurance- conventional products	100%	100%	0%	0%
6. Assumptions				
Discount rate per annum	6.70%	7.50%	6.70%	7.50%
Salary escalation rate per annum	5.00%	5.00%	5.00%	5.00%
Method used	Projected Unit Credit Method		Projected Unit Credit Method	

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

36.4. 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.

	For the year ended March 31st, 2020				For the year ended March 31st, 2019			
	Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)	
	%	(₹ in Lakhs)	%	(₹ in Lakhs)	%	(₹ in Lakhs)	%	(₹ in Lakhs)
1. Discount Rate + 100 basis points	-9.50%	(128)	-9.70%	(56)	-9.70%	(123)	-9.80%	(56)
2. Discount Rate - 100 basis points	11.10%	149	11.40%	65	11.30%	143	11.50%	66
3. Salary Increase Rate + 1%	9.60%	129	11.40%	66	9.30%	118	11.60%	67
4. Salary Increase Rate – 1%	-8.60%	(116)	-10.00%	(57)	-8.50%	(107)	-10.10%	(58)

36.5. Maturity analysis of the defined benefit plans

(₹ in Lakhs)

	For the year ended March 31st, 2020		For the year ended March 31st, 2019	
	Gratuity (Funded)	Compensated absence (Unfunded)	Compensated absence (Unfunded)	Gratuity (Funded)
1. Year 1	37	19	34	19
2. Year 2	75	27	48	23
3. Year 3	106	40	89	37
4. Year 4	118	40	111	42
5. Year 5	104	33	122	42
6. Next 5 Years	838	292	853	285

36.6 During the previous year 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.

37. Disclosure pursuant to Ind AS 24, Related Party Disclosures

List of Related Parties

Enterprises related to the Company	**Nature of Relationship**
Adisri Commercial Private Limited	Ultimate Parent Company
Srei Infrastructure Finance Limited	Parent Company
Controlla Electrotech Private Limited	Fellow Subsidiary
Quippo Oil and Gas Infrastructure Limited (till March 30th, 2019)	Fellow Subsidiary
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary
Srei Alternative Investment Managers Limited	Fellow Subsidiary
Srei Capital Markets Limited	Fellow Subsidiary
Quippo Energy Limited (till March 27th, 2019)	Fellow Subsidiary
Attivo Economic Zone (Mumbai) Private Limited (till September 28th, 2018)	Associate of Parent Company

Key Management Personnel (KMP)

Name	**Designation**
Mr. Hemant Kanoria	Chairman
Mr. Sunil Kanoria	Vice Chairman
Mr. Devendra Kumar Vyas *	Managing Director
Mr. Manoj Kumar Beriwala	Chief Financial Officer
Ms. Ritu Bhojak	Company Secretary
Mr. Ashwani Kumar (with effect from February 1st, 2019)	Independent Director
Mr. Suresh Kumar Jain	Independent Director
Dr. Tamali Sengupta (with effect from August 13th, 2019)	Independent Director
Mr. Uma Shankar Paliwal (with effect from February 12th, 2020)	Independent Director
Mr. Shyamalendu Chatterjee (till May 16th, 2019) **	Independent Director
Ms. Supriya Prakash Sen (till May 16th, 2019)	Independent Director

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

** Mr. Shyamalendu Chatterjee continues to be related party as at March 31st, 2020 as KMP of parent company.

Relative of KMP	**Nature of Relationship**
Manoj Kumar Beriwala - HUF	KMP is Karta

37. Disclosure pursuant to Ind AS 24, Related Party Disclosures (continued)

37(a) Summary of Transactions/Balance Outstanding

(₹ in Lakhs)

Name of the Related Party	Nature of relationship	Nature of transactions	For the year ended March 31st, 2020	Balance as at March 31st, 2020	For the year ended March 31st, 2019	Balance as at March 31st, 2019
Srei Infrastructure Finance Limited	Parent Company	Rent Payment	1,240	-	413	-
		Security Deposit paid for Leased Premises	5,000	-	-	-
		Security Deposit refund for Leased Premises	5,000	-	1,576	-
		Assignment of loans	-	-	6,500	-
		Advisory Services Availed	900	-	-	-
		Intercorporate Deposit Received	31,408	-	-	-
		Intercorporate Deposit Repaid	31,408	-	-	-
		Interest paid on Intercorporate Deposit Received	254	-	-	-
		Intercorporate Deposit Given	30,014	-	-	-
		Repayment of Intercorporate Deposit Given	30,014	-	-	-
		Interest on Intercorporate Deposit Given (Net)	76	-	-	-
		Reimbursement of Expenses	299	-	-	-
		Net assets taken over under slump exchanges in consideration of Equity Shares including Securities Premium. # (refer Note No. 48)	97,412	-	-	-
Quippo Energy Limited	Fellow Subsidiary (till March 27th, 2019)	Loan Given (Secured)	-	-	3,900	-
		Interest Income on Loan Given	-	-	102	-
Quippo Oil and Gas Infrastructure Limited	Fellow Subsidiary (till March 30th, 2019)	Loan Given	-	-	18,325	-
		Interest Income on Loan Given	-	-	623	-
		Income from Assets given on Operating Lease	-	-	2,260	-
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary	Loan Given (Secured) (refer Note No. 48)	-	99	-	-
		Interest Income on Loan Given	9	-	-	-
Srei Alternative Investment Managers Limited	Fellow Subsidiary	Loan Given (Secured) (refer Note No. 48)	200	818	-	-
		Interest Income on Loan Given	40	-	-	-
Srei Capital Markets Limited	Fellow Subsidiary	Advisory Services Availed	200	-	-	-
Mr. Hemant Kanoria	Chairman	Short-term employee benefits	454	59	718	352
		Post-employment benefits	43	-	39	-
Mr. Sunil Kanoria	Vice Chairman	Short-term employee benefits	455	30	722	333
		Post-employment benefits	43	-	39	-
Mr. Devendra Kumar Vyas *	Managing Director	Short-term employee benefits	394	12	385	24
		Post-employment benefits	17	-	17	-
		Rent paid for leased premise	11	-	10	-
		Loan Given (Secured)	-	-	-	24
		Repayment of loan given	24	-	59	-
		Interest Income on Loan Given	***	-	6	-
Mr. Manoj Kumar Beriwala	Chief Financial Officer	Short-term employee benefits	77	5	76	5
		Post-employment benefits	4	-	4	-
Ms. Ritu Bhojak	Company Secretary	Short-term employee benefits	43	3	42	4
		Post-employment benefits	2	-	2	-
Mr. Shyamalendu Chatterjee **	Independent Director (till May 16th, 2019)	Sitting Fees	2	-	15	-
Ms. Supriya Prakash Sen	Independent Director (till May 16th, 2019)	Sitting Fees	2	-	10	-
Mr. Suresh Kumar Jain	Independent Director	Sitting Fees	20	-	5	-
Dr. Tamali Sengupta	Independent Director (with effect from August 13th, 2019)	Sitting Fees	4	-	-	-
Mr. Ashwani Kumar	Independent Director (with effect from February 1st, 2019)	Sitting Fees	19	-	2	-
Mr. Uma Shankar Paliwal	Independent Director (with effect from February 12th, 2020)	Sitting Fees	10	-	-	-
Attivo Economic Zones (Mumbai) Private Limited	Associate of Parent Company (till September 28th, 2018)	Loan Given (Secured)	-	-	2,882	-
		Interest Income on Loan Given	-	-	422	-
Controlla Electrotech Private Limited	Fellow Subsidiary	Rent paid for leased premise	312	-	156	-
		Security Deposit paid for Leased Premises	-	2,400	2,400	2,400
		Interest Received	240	-	120	-
Manoj Kumar Beriwala - HUF	KMP is Karta	Car Hire Charges	6	-	6	-

Settlement of outstanding balances as at year end will occur in cash.

* Chief Executive Officer till January 31st, 2019 and Managing Director with effect from February 1st, 2019.
** Mr. Shyamalendu Chatterjee continues to be related party as at March 31st, 2020 as KMP of Parent company
*** ₹ 47,547/-

This represents net assets taken over under slump exchange which is settled by issue of Equity Shares amounting to ₹ 95,040 Lakhs (including Securities premium amounting to ₹ 93,104 Lakhs) and the balance amounting to ₹ 2,372 Lakhs is credited to Capital Reserve.

37(b) The remuneration paid by the Company to its Chairman, Vice Chairman and Managing Director during the year is in excess of the limits laid down under sub-section (3) of Section 197 of the Act, for which the Company will take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

37(c) Compensation to KMPs

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Short-term employee benefits	1,480	1,976
Other long-term employee benefits	5	7
Post-employment benefits	196	186

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, 2020	**As at March 31st, 2019**
Tier I capital	3,98,269	3,01,284
Tier II capital	1,49,396	1,12,149
Total capital	**5,47,665**	**4,13,433**
Risk weighted assets	34,76,455	25,70,888
Tier I Ratio	11.46%	11.72%
Tier II Ratio	4.30%	4.36%

Regulatory capital consists of Tier I capital, which comprises share capital, securities premium, retained earnings including current year profit, statutory reserves and other free reserves less deferred revenue expenditure and intangible assets etc. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate debts.
The aforesaid figures for the previous year on regulatory capital are restated as per Reserve Bank of India (RBI) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and are not as per Ind AS.

39. Financial Instruments and Related Disclosures

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 2 to the financial statements.

A) Categories of Financial Instruments
Set out below, is a comparison by class of the carrying value and fair value of the Company's financial instruments:

(₹ in Lakhs)

Particulars	**As at March 31st, 2020**		**As at March 31st, 2019**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	38,563	38,563	21,882	21,882
ii) Bank Balance other than (i) above	1,31,560	1,31,560	1,59,277	1,59,277
iii) Trade Receivables	15,321	15,321	10,664	10,664
iv) Loans	27,10,079	27,13,634	15,68,858	15,83,450
v) Investments	1,496	1,496	-	-
vi) Other Financial Assets	44,051	44,051	26,946	26,946
Sub-total	**29,41,070**	**29,44,625**	**17,87,627**	**18,02,219**
b) Measured at Fair value through Profit or Loss				
i) Derivative Financial Instruments	29,992	29,992	5,717	5,717
ii) Loans	83,923	83,923	40,008	40,008
iii) Investments	64,653	64,653	10,341	10,341
iv) Other Financial Assets	51,015	51,015	21,022	21,022
Sub-total	**2,29,583**	**2,29,583**	**77,088**	**77,088**
c) Measured at Fair value through Other Comprehensive Income				
i) Loans	1,10,097	1,10,097	2,52,621	2,52,621
Sub-total	**1,10,097**	**1,10,097**	**2,52,621**	**2,52,621**
Total Financial Assets	**32,80,750**	**32,84,305**	**21,17,336**	**21,31,928**
Financial Liabilities				
a) Measured at Amortised Cost				
i) Payables	1,13,071	1,13,071	1,67,306	1,67,306
ii) Debt Securities	2,62,725	2,61,682	1,94,243	1,97,167
iii) Borrowings (Other than Debt Securities)	26,40,607	26,38,655	17,33,794	17,30,361
iv) Subordinated Liabilities	2,48,736	2,39,331	1,91,373	1,88,794
v) Lease Liabilities	1,292	1,292	-	-
vi) Other Financial Liabilities	32,628	32,628	45,593	45,593
Sub-total	**32,99,059**	**32,86,659**	**23,32,309**	**23,29,221**
b) Measured at Fair value through Profit or loss				
i) Derivative Financial Instruments	4,146	4,146	5,302	5,302
Sub-total	**4,146**	**4,146**	**5,302**	**5,302**
Total Financial Liabilities	**33,03,205**	**32,90,805**	**23,37,611**	**23,34,523**

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

Loans measured at amortised cost
The fair values of loan assets are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at average lending rate.

Other Financial Assets measured at amortised cost
For other financial assets that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.
Such instruments majorly include: Cash and Cash Equivalents, Other Bank Balances, Trade and Other Receivables, Investments 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 average borrowing rate.

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 and Other payables and Trade Deposits.

39. Financial Instruments and Related Disclosures (continued)

B) Fair value hierarchy

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

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

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

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

(₹ in Lakhs)

	As at March 31st, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets				
Derivative Financial Instruments	-	29,992	-	**29,992**
Loans	-	-	1,94,020	**1,94,020**
Investments	97	10,042	54,514	**64,653**
Other Financial Assets	-	-	51,015	**51,015**
	97	**40,034**	**2,99,549**	**3,39,680**
Financial Liabilities				
Derivative Financial Instruments	-	4,146	-	**4,146**
	-	**4,146**	**-**	**4,146**

(₹ 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**

Fair value of the Company's assets and liabilities that are measured at fair value on a recurring basis

(₹ in Lakhs)

Particulars	**Fair Value as at March 31st, 2020**	**Fair Value as at March 31st, 2019**	**Fair Value Hierarchy**	**Valuation Technique and Key Inputs**	**Significant Unobservable Inputs**
Financial Assets					
Derivative Financial Instruments	29,992	5,717	Level 2	Note (i)	Not applicable
Loans	1,94,020	2,92,629	Level 3	Note (ii)	Note (v) and (vi)
Investments	97	298	Level 1	Note (iii)	Not applicable
Investments	10,042	10,043	Level 2	Note (iv)	Not applicable
Investments	54,514	-	Level 3	Note (ii)	Note (v)
Other Financial Assets	51,015	21,022	Level 3	Note (ii)	Note (vii)
Financial Liabilities					
Derivative Financial Instruments	4,146	5,302	Level 2	Note (i)	Not applicable

(i) Mark-to-Market
Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.
(ii) Income Approach
The discounted cash flow method was used to capture the present value of the the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.
(iii) Quoted Prices
Quoted bid prices of an active market was used.
(iv) 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 average lending rate of the company
(vi) The fair value of loans is derived based on the valuation of the underlying assets.
(vii) Probability of recovery and discount rate considered by the Valuer.

Reconciliation of Level 3 fair value measurements

(₹ in Lakhs)

Reconciliation	**Investments March 31st, 2020**	**Investments March 31st, 2019**	**Loans March 31st, 2020**	**Loans March 31st, 2019**	**Other Financial Assets March 31st, 2020**	**Other Financial Assets March 31st, 2019**
Opening Balance	**-**	**-**	**2,92,629**	**5,14,733**	**21,022**	**24,030**
Addition/transferred pursuant to slump exchange (refer Note No. 48)	1,14,065	-	1,55,440	2,77,658	58,195	-
Repayment	(63,386)	-	(2,81,335)	(5,05,868)	(21,022)	-
Transfers into Level 3	-	-	-	-	-	-
Transfers from Level 3	-	-	-	-	-	-
Unrealised income/(loss)	2,774	-	24,769	3,437	(7,180)	(3,008)
Other Comprehensive Income	1,061	-	2,517	2,669	-	-
Closing Balance	**54,514**	**-**	**1,94,020**	**2,92,629**	**51,015**	**21,022**

39. Financial Instruments and Related Disclosures (continued)

Sensitivity of fair value measurements to changes in unobservable market data

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

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

Below table shows impact of increase/decrease in fair valuation measurement at 2% **(₹ in Lakhs)**

Particulars	**As at March 31st, 2020**		**As at March 31st, 2019**	
	Favourable Changes	**Unfavourable Changes**	**Favourable Changes**	**Unfavourable Changes**
Loans at FVTOCI	3,452	(3,295)	7,403	(7,086)
Loans at FVTPL	2,326	(2,176)	1,158	(1,085)
Investments at FVTPL	4,211	(3,705)	-	-
Other Financial Assets at FVTPL	2,067	(1,954)	631	(596)
Total	**12,056**	**(11,130)**	**9,192**	**(8,767)**

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. The 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. 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, 2020	**USD**	**EURO**	**Others**	**Total**
Borrowings (Other than Debt Securities)	1,97,384	85,612	-	2,82,996
As at March 31st, 2019	**USD**	**EURO**	**Others**	**Total**
Borrowings (Other than Debt Securities)	1,61,735	67,815	-	2,29,550

(₹ in Lakhs)

Hedged Foreign Currency balances * :		**As at March 31st, 2020**	**As at March 31st, 2019**
Borrowings (Other than Debt Securities)	USD	1,97,384	1,61,735
	EURO	85,612	67,815

* The same does not meet hedge documentation criteria as per Ind AS 109.

Foreign currency sensitivity

Impact on increase in 2% **(₹ in Lakhs)**

Particulars	**As at March 31st, 2020**	**As at March 31st, 2019**
USD	(3,948)	(3,235)
EURO	(1,712)	(1,356)

Impact on decrease in 2% **(₹ in Lakhs)**

Particulars	**As at March 31st, 2020**	**As at March 31st, 2019**
USD	3,948	3,235
EURO	1,712	1,356

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.

39. Financial Instruments and Related Disclosures (continued)

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.

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

As at March 31st, 2020	INR	USD	EURO	Total
Financial Assets				
Loans	19,41,670	-	-	19,41,670
Financial Liabilities				
Borrowings (Other than Debt Securities)	20,97,662	1,95,873	85,612	23,79,147
Subordinated Liabilities	15,000	-	-	15,000
As at March 31st, 2019	**INR**	**USD**	**EURO**	**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

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

Interest Rate sensitivity

Impact on increase in 2% **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
INR	(3,420)	4,244
USD	(3,917)	(3,090)
EURO	(1,712)	(1,356)

Impact on decrease in 2% **(₹ in Lakhs)**

Particulars	As at March 31st, 2020	As at March 31st, 2019
INR	3,420	(4,244)
USD	3,917	3,090
EURO	1,712	1,356

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 or loss as at March 31st, 2020 is ₹ 97 Lakhs (March 31st, 2019 ₹ 297 Lakhs).

A 10% change in equity prices of such securities held as at March 31st, 2020 and March 31st, 2019, would result in an impact of ₹ 10 Lakhs (March 31st, 2019 ₹ 30 Lakhs) respectively.

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.

(I) Liquidity risk management :

(₹ in Lakhs)

Particulars	As at March 31st, 2020								
	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	38,563	-	-	-	-	-	-	-	**38,563**
ii) Bank Balance other than above	5,082	4,725	21,633	17,607	76,526	5,984	-	3	**1,31,560**
iii) Derivative Financial Instruments	29,992	-	-	-	-	-	-	-	**29,992**
iv) Trade Receivables	5,178	5,177	5,177	-	-	-	-	-	**15,532**
v) Loans *	69,745	61,690	42,709	1,77,717	3,55,640	7,41,622	6,72,763	9,44,532	**30,66,418**
vi) Investments	249	-	-	-	231	37,064	4,111	24,494	**66,149**
vii) Other Financial Assets	11,644	1,082	1,124	5,882	6,683	68,408	788	865	**96,476**
Total	**1,60,453**	**72,674**	**70,643**	**2,01,206**	**4,39,080**	**8,53,078**	**6,77,662**	**9,69,894**	**34,44,690**
B: Financial Liabilities									
i) Derivative Financial Instruments	4,146	-	-	-	-	-	-	-	**4,146**
ii) Trade Payables	18,845	18,845	18,845	18,846	37,001	689			**1,13,071**
iiii) Debt Securities	22,156	3,410	1,676	9,697	14,008	1,20,379	73,933	20,165	**2,65,424**
iv) Borrowings (Other than Debt Securities) #	1,55,524	1,15,392	1,35,453	4,32,481	12,37,718	3,71,135	1,48,186	49,710	**26,45,599**
v) Subordinated Liabilities	2,160	425	6,647	4,962	8,501	1,22,837	30,061	76,079	**2,51,672**
vi) Lease Liabilities	-	-	-	-	49	920	257	66	**1,292**
vii) Other Financial Liabilities	6,967	1,705	1,544	1,730	3,428	15,737	5,499	248	**36,858**
Total	**2,09,798**	**1,39,777**	**1,64,165**	**4,67,716**	**13,00,705**	**6,31,697**	**2,57,936**	**1,46,268**	**33,18,062**

(₹ in Lakhs)

Particulars	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) Bank Balance other than above	5,403	18,587	21,720	60,246	28,958	23,912	448	3	**1,59,277**
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	**1,39,986**	**1,41,337**	**1,36,328**	**1,91,617**	**2,88,661**	**8,03,170**	**2,83,129**	**1,93,447**	**21,77,675**
B: Financial Liabilities									
i) Derivative Financial Instruments	5,302	-	-	-	-	-	-	-	**5,302**
ii) Trade Payables	35,837	24,210	30,289	58,995	6,651	11,324	-	-	**1,67,306**
iiii) Debt Securities	7,012	238	9,779	108	20,182	71,106	57,657	29,971	**1,96,053**
iv) Borrowings (Other than Debt Securities) #	52,113	1,55,463	32,227	1,53,538	7,87,017	3,00,364	2,00,977	56,774	**17,38,473**
v) Subordinated Liabilities	5,701	3,591	666	2,297	21,239	19,010	55,363	86,523	**1,94,390**
vi) Other Financial Liabilities	7,857	258	183	227	2,788	18,127	13,043	14,625	**57,108**
Total	**1,13,822**	**1,83,760**	**73,144**	**2,15,165**	**8,37,877**	**4,19,931**	**3,27,040**	**1,87,893**	**23,58,632**

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 3,78,104 Lakhs (previous year ₹ Nil), which have been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lakhs)

Particulars	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
Loans (As at March 31st, 2020)	-	-	-	74,432	1,16,699	1,61,694	25,279	-	**3,78,104**
Loans (As at March 31st, 2019)	-	-	-	-	-	-	-	-	**-**

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.

39. Financial Instruments and Related Disclosures (continued)

(II) Public disclosure on Liquidity Risk as on March 31st, 2020
Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4th, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount (₹ in Lakhs)	% of Total deposits	% of Total Liabilities
1	24	23,80,272	Not applicable	72%

(ii) Top 20 large deposits (amount in ₹ in Lakhs and % of total deposits) - Not Applicable

(iii) Top 10 borrowings (amount in ₹ in Lakhs and % of total borrowings)

Amount (₹ in Lakhs)	% of Total Borrowings
14,45,214	46%

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (₹ in Lakhs)	% of Total Liabilities
1	Term Loan from Banks		
a.	Rupee Term loans - Secured	2,62,900	8%
b.	Foreign currency Term loans - Secured	93,523	3%
c.	Foreign currency Term loans - Unsecured	56,108	2%
2	Working capital facilities	18,00,637	54%
3	Term Loan from Others		
a.	Rupee Term loans - Secured	1,64,813	5%
b.	Foreign currency Term loans - Secured	1,25,120	4%
4	Non-convertible debentures - Secured	2,47,143	7%
5	Subordinated Non convertible debentures (Tier II Capital)	2,12,630	6%

(v) Stock Ratios:

Sr. No.	Particulars	As at March 31st, 2020
1	Commercial Papers to Total Public Funds	0.96%
2	Commercial Papers to Total Liabilities	0.91%
3	Commercial Papers to Total Assets	0.81%
4	NCDs (Original Maturity < 1 yrs.) to Total Public Funds	NIL
5	NCDs (Original Maturity < 1 yrs.) to Total Liabilities	NIL
6	NCDs (Original Maturity < 1 yrs.) to Total Assets	NIL
7	Other Short Term Liabilities to Total Public Funds	NIL
8	Other Short Term Liabilities to Total Liabilities	NIL
9	Other Short Term Liabilities to Total Asset	NIL

(vi) Institutional set-up for liquidity risk management:
The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management.

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 Loans 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.

40. Transfers of Financial Assets

Transfers of financial assets that are not derecognised in their entirety

i. 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.

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

(₹ in Lakhs)

	As at March 31st, 2020	As at March 31st, 2019
Carrying amount of assets	49,525	1,18,779
Carrying amount of associated liabilities	52,169	1,23,033
Fair value of assets	50,181	1,20,331
Fair value of associated liabilities	52,468	1,21,552

ii. Assignment of Non-Performing Loan Assets to Asset Reconstruction Company (ARC)

The Company has carried out an assignment transaction wherein it has assigned Non-Performing Loan Accounts to an Asset Reconstruction Company by transferring the loan assets to a Special Purpose Entity and subscribed to 85% of the total value of security receipts issued by the Trust. Even though the loan assets have been assigned, 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 from the Security Receipts are dependent on the realisation from the assigned loan assets, leading to Company bearing the risk of non-realisation from the pool to the extent of its investment in Security Receipts.

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

(₹ in Lakhs)

Particulars	As at March 31st, 2020	As at March 31st, 2019
Carrying amount of assets	1,572.50	-
Carrying amount of associated liabilities	-	-
Fair value of assets	1,572.50	-
Fair value of associated liabilities	-	-

41. Assets obtained by taking possession of collateral/assets

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

The table below outlines the nature and values of Repossessed Assets and Assets acquired in satisfaction of debt obtained during the year and where still lying with the company as at the year end:

(₹ in Lakhs)

Particular	For the year ended March 31st, 2020	For the year ended March 31st, 2019
Land	-	2,265
Other	36,854	15,391
Total	**36,854**	**17,656**

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2020

42. Maturity analysis of assets and liabilities

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

(₹ in Lakhs)

Assets	As at March 31st, 2020			As at March 31st, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	38,563	-	38,563	21,882	-	21,882
Bank Balance other than above	1,25,573	5,987	1,31,560	1,34,914	24,363	1,59,277
Derivative Financial Instruments	29,992	-	29,992	5,717	-	5,717
Trade Receivables	15,321	-	15,321	10,664	-	10,664
Loans *	6,80,207	22,23,892	29,04,099	6,69,578	11,91,909	18,61,487
Investments	480	65,669	66,149	553	9,788	10,341
Other Financial Assets	25,746	69,320	95,066	33,314	14,654	47,968
Current Tax Assets (Net)	-	5,839	5,839	-	-	-
Deferred Tax Assets (Net)	-	2,833	2,833	-	-	-
Property, Plant and Equipment	-	3,56,574	3,56,574	-	4,51,238	4,51,238
Right-of-use Assets	47	1,163	1,210	-	-	-
Capital Work-in-Progress	-	233	233	-	-	-
Other Intangible Assets	-	445	445	-	535	535
Other Non-Financial Assets	53,442	2,548	55,990	80,181	11,442	91,623

(₹ in Lakhs)

Liabilities	As at March 31st, 2020			As at March 31st, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	4,146	-	4,146	5,302	-	5,302
Trade Payables	1,12,382	689	1,13,071	1,55,982	11,324	1,67,306
Debt Securities	49,748	2,12,977	2,62,725	37,149	1,57,094	1,94,243
Borrowings (Other than Debt Securities)	20,74,831	5,65,776	26,40,607	11,79,701	5,54,093	17,33,794
Subordinated Liabilities	21,875	2,26,861	2,48,736	33,343	1,58,030	1,91,373
Lease Liabilities	49	1,243	1,292	-	-	-
Other Financial Liabilities	15,074	17,554	32,628	11,120	34,473	45,593
Current Tax Liabilities (Net)	-	-	-	93	-	93
Provisions	110	1,665	1,775	112	1,261	1,373
Deferred Tax Liabilities (Net)	-	-	-	-	18,490	18,490
Other Non-Financial Liabilities	1,498	5,374	6,872	1,410	11,321	12,731

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 3,78,104 Lakhs (previous year ₹ Nil), which have been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lakhs)

Assets	As at March 31st, 2020			As at March 31st, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Loans	1,91,131	1,86,973	3,78,104	-	-	-

43. Disclosure of Joint Controlled Operation as on March 31st, 2020

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 ₹ 1,878 Lakhs (March 31st, 2019 : ₹ 2,030 lakhs) has been recognized as “Income from joint controlled operation” under the head "Revenue from Operations". None of the Company’s assets has been transferred to the Joint Venture and there is no liability incurred in this respect.

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

44. Segment Reporting

The Company is primarily engaged in financial services to its customers across India. Consequently, there are no separate reportable segments as per 'Ind AS 108'.

45. (i) Information as required by terms 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 for the current year have been prepared as per the Indian Accounting Standards (‘Ind AS’) read with the Companies (Indian Accounting Standards) Rules, 2015. The additional RBI disclosures for the previous year have been prepared as per the Companies (Accounting Standards) Rules, 2006 insofar as they were are not inconsistent with any of these Master Directions. In case of any inconsistency, the Company had followed the specific principles as prescribed in the Master Directions.

45. (ii) Securitisation and Assignment of Receivables

45. (ii)(a) Securitisation of receivables

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

(₹ in Lakhs, except in respect of total number of contracts)

Particulars	**For the year ended March 31st, 2020**	**For the year ended March 31st, 2019**
Total number of contracts securitised	-	7,305
Book Value of contracts securitised	-	1,03,331
Sales consideration*	-	1,03,331
Gain/(Loss) (net) on securitisation	-	-
Subordinated assets as on Balance Sheet date	-	-

*excludes unmatured finance charges thereon.

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

(₹ in Lakhs)

Particulars	**As at March 31st, 2020**	**As at March 31st, 2019**
Bank/Other deposits provided as collateral as on Balance Sheet date	24,995	35,553
Credit enhancements provided by third parties;		
-First loss facility	-	-
-Second loss facility	-	-

45. (ii)(b) Assignment of receivables

In terms of Reserve Bank of India guidelines on securitisation of assets issued on August 21st, 2012, during the year ended March 31st, 2020, the Company has assigned financial assets to the extent of ₹ 314,407 lakhs (March 31st, 2019: ₹ 417,086 lakhs) for purchase consideration of ₹ 314,407 lakhs (March 31st, 2019 : ₹ 417,086 lakhs). The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 32,895 lakhs (March 31st, 2019: ₹ 47,879 lakhs). Assets assigned are derecognised from the books of account to the extent assigned.

As at March 31st, 2020 the Company has lodged bank deposits of ₹ 31,579 lakhs (March 31st, 2019: ₹ Nil) as collateral for assignment of financial assets under partial credit guarantee scheme against total assigned contracts outstanding at the year ended March 31st, 2020.

45. (ii)(c) The aggregate amount of assets derecognised/loans originated till date in terms of note no. 45. (ii)(a) to 45. (ii)(b) above in respect of which outstanding as at year end are as under:

(₹ in Lakhs)

Particulars	**Amount outstanding as at**	
	March 31st, 2020	**March 31st, 2019**
Securitisation	52,496	1,37,992
Assignment of Receivables	5,47,354	5,47,776
Total	**5,99,850**	**6,85,768**

45. (ii) Securitisation and Assignment of Receivables (continued)

45. (ii)(d) In terms 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 securitised by the Company and outstanding at the year ended March 31st, 2020 are as under:

Sl. No	Particulars	As at March 31st, 2020 #	As at March 31st, 2019 #
		No. / (₹ in Lakhs)	No. / (₹ in Lakhs)
1	No of SPVs sponsored by the NBFC for securitisation transactions	9	14
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	52,496	1,37,992
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	24,995	35,553
	* 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 SPVs' auditor.

45. (ii)(e) In terms 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, 2020 are as under:

Sl. No	Particulars	As at March 31st, 2020	As at March 31st, 2019
		No. / (₹ in Lakhs)	No. / (₹ in Lakhs)
1	No of transactions assigned by the Company	74	67
2	Total amount outstanding	5,47,354	5,47,776
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	31,579	-
	* Others	55,875	62,400
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	-	-

45. (iii) In terms 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.
Disclosure of Restructured Accounts

(₹ in Lakhs)

Sl. No.	Type of Restructuring		Under CDR Mechanism		Others		Total	
	Asset Classification / Details		Standard	Sub-Standard	Standard	Sub-Standard	Standard	Sub-Standard
1	Restructured Accounts on April 1st, 2019	No. of Borrowers	1 (1)	1 (1)	- (-)	- (-)	1 (1)	1 (1)
		Amount Outstanding	2,494 (1,992)	679 (762)	- (-)	- (-)	2,494 (1,992)	679 (762)
		Provision thereon *	168 (171)	136 (206)	- (-)	- (-)	168 (171)	136 (206)
2	Fresh restructuring during the year	No. of Borrowers	- (-)	1 (-)	- (-)	1 (-)	- (-)	2 (-)
		Amount Outstanding	- (-)	1,749 (-)	- (-)	6,611 (-)	- (-)	8,360 (-)
		Provision thereon *	- (-)	1,542 (-)	- (-)	1,983 (-)	- (-)	3,525 (-)
3	Upgradation to restructured Standard category during the year	No. of Borrowers	1 (-)	(1) (-)	- (-)	- (-)	1 (-)	(1) (-)
		Amount Outstanding	592 (-)	(679) (-)	- (-)	- (-)	592 (-)	(679) (-)
		Provision thereon *	1 (-)	(136) (-)	- (-)	- (-)	1 (-)	(136) (-)
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	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
		Provision thereon *	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
5	Downgradations of restructured accounts during the year	No. of Borrowers	(1) (-)	1 (-)	- (-)	- (-)	(1) (-)	1 (-)
		Amount Outstanding	(2,494) (-)	2,183 (-)	- (-)	- (-)	(2,494) (-)	2,183 (-)
		Provision thereon *	(168) (-)	323 (-)	- (-)	- (-)	(168) (-)	323 (-)
6	Write-Offs of restructured accounts during the year	No. of Borrowers	- (-)	(1) (-)	- (-)	- (-)	- (-)	(1) (-)
		Amount Outstanding	- (-)	(1,749) (-)	- (-)	- (-)	- (-)	(1,749) (-)
		Provision thereon *	- (-)	(1,542) (-)	- (-)	- (-)	- (-)	(1,542) (-)
7	Restructured Accounts as on March 31st, 2020	No. of Borrowers	1 (1)	1 (1)	- (-)	1 (-)	1 (1)	2 (1)
		Amount Outstanding	592 (2,494)	2,183 (679)	- (-)	6,611 (-)	592 (2,494)	8,794 (679)
		Provision thereon *	1 (168)	323 (136)	- (-)	1,983 (-)	1 (168)	2,306 (136)

Figures in the bracket indicates figures for the previous year.
* Provision as stated above includes provision for diminution in fair value of restructured advances.

45. (iv) Disclosure on Strategic Debt Restructuring (SDR) Scheme as at March 31st, 2020

(₹ 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	-	170	-	-	-	170
One number of Account	-	(167)	-	-	-	(167)

Figures in the bracket indicates figures for the previous year.

45. (v) Disclosures on The Scheme for Sustainable Structuring of Stressed Assets (S4A), as at March 31st, 2020

(₹ 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	7,483	3,439	4,044	17
Three number of account classified as Standard	(11,716)	(6,779)	(4,937)	(2,343)

Figures in the bracket indicates figures for the previous year.
* Note: Part B represents the Optionally Convertible Debentures and Equity received as per the S4A scheme.

46. Disclosure as per the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards'.
A comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') Norms and impairment allowances made under Ind AS 109 is given below:

(₹ in Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per Income Recognition, Asset Classification and Provisioning (IRACP) norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	24,51,864	26,463	24,25,401	12,771	13,692
Standard	Stage 2	1,46,203	14,820	1,31,383	10,932	3,888
Subtotal for Standard		**25,98,067**	**41,283**	**25,56,784**	**23,703**	**17,580**
Non-Performing Assets (NPA)						
Substandard *	Stage 1	4,734	34	4,700	474	(440)
Substandard	Stage 3	1,43,276	53,599	89,677	38,308	15,291
Subtotal for Substandard		**1,48,010**	**53,633**	**94,377**	**38,782**	**14,851**
Doubtful - up to 1 year *	Stage 1	2,317	371	1,946	522	(151)
Doubtful - up to 1 year *	Stage 2	33,311	1,363	31,948	7,676	(6,313)
Doubtful - up to 1 year	Stage 3	1,36,731	40,611	96,120	38,637	1,974
1 to 3 years	Stage 3	40,784	13,627	27,157	15,492	(1,865)
More than 3 years *	Stage 2	10,175	5,100	5,075	5,088	12
More than 3 years	Stage 3	11,675	5,412	6,263	5,984	(572)
Subtotal for doubtful		**2,34,993**	**66,484**	**1,68,509**	**73,399**	**(6,915)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**3,83,003**	**1,20,117**	**2,62,886**	**1,12,181**	**7,936**
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	550	(550)	-	550
	Stage 2	-	298	(298)	-	298
	Stage 3	-	-	-	-	-
Subtotal		**-**	**848**	**(848)**	**-**	**848**
Total	**Stage 1**	**24,58,915**	**27,418**	**24,31,497**	**13,767**	**13,651**
	Stage 2	**1,89,689**	**21,581**	**1,68,108**	**23,696**	**(2,115)**
	Stage 3	**3,32,466**	**1,13,249**	**2,19,217**	**98,421**	**14,828**
	Total	**29,81,070**	**1,62,248**	**28,18,822**	**1,35,884**	**26,364**

* There are three number of customers with total amount outstanding is ₹ 50,537 Lakhs and the overdue amount is ₹ 13,759 Lakhs.

47. Disclosure as per the RBI circular no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17th, 2020 on "COVID 19 Regulatory Package - Asset Classification and Provisioning"

(i) Amounts in SMA/overdue categories where moratorium/deferment was extended, in terms of paragraph 2 and 3 of the above circular:

(₹ in Lakhs)

SMA category	As at March 31st, 2020
SMA 0	1,874
SMA 1	319
SMA 2	7,668
Total	**9,861**

(ii) Respective amount as at March 31st, 2020, where asset classification benefit is extended : ₹ 8,456 lakhs.
(iii) Provisions made during quarter ended March 31st, 2020 in terms of paragraph 5 of the above circular :
The company has made a provision of 5% as per the above circular, amounting to ₹ 423 lakhs.
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of the above circular : Not applicable

48. The Board of Directors of the Company and its holding company, Srei Infrastructure Finance Limited ("SIFL") at their respective meetings held on July 4th, 2019 approved the transfer of Lending Business, Interest Earning Business & Lease Business of SIFL together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (the "Transferred Undertaking"), as a going concern by way of slump exchange to the Company through a Business Transfer Agreement ("BTA"), in exchange of fully paid up equity shares to be issued and allotted by the Company, subject to all necessary approvals.
Pursuant to this, the Company signed BTA on August 16th, 2019 and an amendment to the, aforesaid, BTA on November 14th, 2019 with SIFL, pursuant to which it has entered into various assignment agreements, in connection with the Transferred Undertaking, with SIFL to give effect of the slump exchange and accordingly the Company and SIFL has passed the relevant accounting entries in their respective books of account effective October 1st, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. One of debenture holders holding debentures amounting to ₹ 75 crores has objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. Pending the approvals as stated above, the Company had accounted for the slump exchange transaction on October 1st, 2019, as stated above. The Company has obtained expert legal and accounting opinions in relation to the accounting of the Slump Exchange Transaction which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and frame work.

49. The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets and slowdown in economic activities. On March 24th, 2020, the Indian Government announced a strict 21-day lock-down, which has been extended from time to time with or without relaxations across the country based on severity of the spread at local levels. The extent to which the COVID-19 pandemic will impact the Company's operational and financial results will depend on the future developments, which are not ascertainable at this point of time, including among other things any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.
The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package on March 27th, 2020, April 17th, 2020 and May 23rd, 2020 and in accordance therewith, the Company has offered repayment moratorium to some eligible borrowers classified as standard. For all such accounts, where the moratorium is granted, the asset classification i.e. staging will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the guidelines). The Company has made additional provisions as required by RBI circulars stated as above and which is over and above the provisions made as per ECL model as per applicable Ind AS.

50. The Company has applied moratorium on borrowings in accordance with COVID-19 Regulatory Package announced by RBI and the approval for the same is under process with a few lenders. In view of this, such deferment of dues has not been considered as default by the Company.

51. In view of slump exchange transaction as stated in Note No. 48 above, the figures for the year ended March 31st, 2020 are thus not comparable with those of the previous year.

52. Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification of the current year.

Signatories to Notes **1 to 52.**

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place: Mumbai
Date: July 27th, 2020

For **L. B. Jha & Co.**
Chartered Accountants
ICAI Firm Registration No. 301088E

D Chatterji
Partner
Membership no. 010121

Place: Kolkata
Date: July 27th, 2020

For and on behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
(DIN : 00193015)

Sd/-
Manoj Kumar Beriwala
Chief Financial Officer

Sd/-
Ritu Bhojak
Company Secretary

Place: Kolkata
Date: July 27th, 2020

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS (Refer Note No. 45(i))

Disclosure of details as required in terms 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	As at March 31st, 2020 #	As at March 31st, 2019
(i)	CRAR (%)	15.76	16.08
(ii)	CRAR – Tier I Capital (%)	11.46	11.72
(iii)	CRAR – Tier II Capital (%)	4.30	4.36
(iv)	Amount of subordinated debt raised as Tier-II capital	-	6,928
(v)	Amount raised by issue of Perpetual Debt Instruments*	-	10,000

calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC .PD .No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020

* As at March 31st, 2020, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 13,750 lakhs (March 31st, 2019 : ₹ 13,750 lakhs) which is 3.45% (March 31st, 2019 : 4.56%) of total Tier I Capital.

2. Exposure to Real Estate Sector

(₹ in Lakhs)

Sl. No.	Category	As at March 31st, 2020	As at March 31st, 2019
a)	**Direct Exposure**		
(i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
(ii)	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	6,81,494	2,01,136
(iii)	Investments in Mortgage Backed Securities and other securitised exposures		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	**Indirect exposure**	-	-
	Total Exposure to Real Estate Sector	**6,81,494**	**2,01,136**

3. Exposure to Capital Market

(₹ in Lakhs)

Sl. No.	Category	As at March 31st, 2020	As at March 31st, 2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;*	18,937	11,091
(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;	8,743	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;	92	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	**27,772**	**33,880**

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

4. Details of Assignment transactions undertaken by Non-Banking Financial Company (NBFC)

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

Sl. No.	Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
(i)	No. of accounts	9,697	11,483
(ii)	Aggregate value (net of provisions) of accounts sold	3,14,407	4,17,086
(iii)	Aggregate consideration	3,14,407	4,17,086
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

SREI EQUIPMENT FINANCE LIMITED

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5. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31st, 2020 are as follows:

(₹ in Lakhs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances* (refer note - 1 & 2 below)	26,597	1,586	56,153	73,628	54,376	1,98,218	3,97,861	8,47,557	6,86,821	9,44,406	32,87,203
Investments (refer note - 2 below)	-	-	249	-	-	-	231	37,064	4,111	24,494	66,149
Borrowing (refer note - 3 below)	25,283	3,778	53,062	51,420	71,798	2,53,843	3,51,036	10,66,918	6,20,852	6,54,078	31,52,068
Foreign Currency Assets											-
Foreign Currency Liabilities	-	-	-	543	1,677	9,021	1,577	689	-	-	13,507

The above ALM does not include all the items of assets and liabilities. Inflows and outflows based on Management’s estimate of the realisability of such excluded items like Cash and Cash equivalents (₹ 38,563 Lakhs), Bank Balances (₹ 1,31,560 Lakhs), Derivative Financial Instruments (₹ 29,992 Lakhs), Other Financial Assets (₹ 95,066 Lakhs), other Non-Financial Assets (₹ 55,990 Lakhs) and outflows on account of items like Trade Payables (₹ 1,13,071 Lakhs), Derivative Financial Instruments (₹ 4,146 Lakhs), Other Financial Liabilities (₹ 32,628 Lakhs), Non-financial Liabilities (₹ 8,647 Lakhs) will result in net cumulative positive cash inflows up to a period of one year from the reporting date.

Further, the Company has the options such as assignments, pre-closure of loans, sale down including assets monetisation and exercising put option (right to recall the loan under the loan agreement) to generate additional cash flows, if required within one year, which otherwise are included in more than one year bucket.

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 3,78,104 Lakhs, which have been considered in "Advances" above while arriving at the maturity pattern. Details in respect of the same are as follows:

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31	Over 1 month	Over 2 months	Over 3 months &	Over 6 months &	Over 1 year &	Over 3 years &	Over 5 years	Total
Advances	-	-	-	-	-	74,432	1,16,699	1,61,694	25,279	-	3,78,104

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	21,59,871
Investments	115	-	-	-	437	5,601	1,530	3,407	11,090
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
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	2,434	15,200	20,936	32,648	5,504	10,207	-	-	86,929

Note :

1. Advances represent the maturity pattern of gross loan assets and receivables for operating lease assets.

2. The maturity pattern of Investments, Loan Assets measured at FVTOCI and overdue amounts on Loans have been considered on the basis of Management's best estimates.

3. The maturity pattern of working capital facilities, aggregated outstanding value being ₹ 18,02,460 Lakhs as at March 31st, 2020 (Previous year ₹ 9,30,692 Lakhs), 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 ₹ 11,12,483 Lakhs (previous year: ₹ 6,80,692 Lakhs) falls due within 1 year from the balance sheet date, while in respect of Working Capital Demand Loan (WCDL) amount of ₹ 144,518 Lakhs (previous year: ₹ 30,000 Lakhs) falls due within "upto 30/31 days"; amount of ₹ 107,000 Lakhs (previous year: ₹ 1,45,500 Lakhs) falls due 'over 1 month but upto 2 months'; amount of ₹ 100,811 Lakhs (previous year: ₹ 4,500 Lakhs) falls due 'Over 2 months upto 3 months'; amount of ₹ 321,748 Lakhs (previous year: ₹ 70,000 Lakhs) falls due 'Over 3 months & upto 6 months' and amount of ₹ 15,900 Lakhs (previous year: ₹ Nil Lakhs) falls due 'Over 6 months & upto 1 year from the balance sheet date.

The RBI in its inspection report under section 45N of the RBI Act, 1934, for the year ended March 31st, 2019 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.

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS (Refer Note No. 45(i))

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(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020		As at March 31st, 2019	
		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	2,62,513	-	1,94,030	-
	- Unsecured	2,33,896	-	1,86,562	-
	(Other than falling within the meaning of public deposits)				
	b) Deferred credits	-	-	-	-
	c) Term loans	7,11,645	-	6,35,957	-
	d) Inter- corporate loans and borrowings	17,635	-	-	-
	e) Commercial paper	29,339	-	31,747	-
	f) Other Loans (Tier II Loan, Buyers Credit, Working Capital Demand Loan etc)	18,97,042	-	9,47,753	-

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
		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	29,73,980	16,89,714
	(b) Unsecured	91,013	93,531
	Total (a) + (b)	**30,64,993**	**17,83,245**
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	Refer note 1
	(b) Operating Lease	Refer note 1	Refer note 1
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	Refer note 1	Refer note 1
	(b) Repossessed Assets	Refer note 1	Refer note 1
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	Refer note 1	Refer note 1
	(b) Loans other than (a) above	Refer note 1	Refer note 1

Note 1: The Company has not disclosed amount outstanding under assets financing activities as the RBI has merged Asset Financing Companies (AFC's), Loan Companies and Investment companies 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 28th, 2019.

SREI EQUIPMENT FINANCE LIMITED

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(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020 Amount Outstanding	As at March 31st, 2019 Amount Outstanding
9.	**Break-up of Investments**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Pass Through Certificates etc)	-	-
	Long term Investments		
	1. Quoted :		
	(i) Shares : (a) Equity	97	298
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted :	-	
	(i) Shares : (a) Equity	21	21
	(b) Preference	18,379	5,453
	(ii) Debentures and Bonds	16,607	5,319
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others*	31,045	-

* Includes Security Receipts

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
10.	**Value of Investments**		
(i)	**Gross Value of Investments**	**75,739**	**11,091**
	(a) In India	75,739	11,091
	(b) Outside India	-	-
(ii)	**Provisions for Depreciation**	**9,590**	**-**
	(a) In India	9,590	-
	(b) Outside India	-	-
(iii)	**Net Value of Investments**	**66,149**	**11,091**
	(a) In India	66,149	11,091
	(b) Outside India	-	-
11.	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year*	9,590	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	**Closing balance**	**9,590**	**-**

* represents provisions carried on under slump exchange (refer Note No. 48)

(₹ in Lakhs)

Sl. No.	Particulars	For the year ended March 31st, 2020	For the year ended March 31st, 2019
12.	**Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account**		
(i)	Provision for depreciation on Investment	Nil	Nil
(ii)	Provisions towards NPA	73,420	63,380*
(iii)	Provision made towards Income tax	4,333	15,072
(iv)	Other Provision and Contingencies		
	- Provision for Employee Benefits	720	650
	- Provision for Standard Assets	(409)	(2,907)*
		78,064	**76,195**

* The provision figures for the previous year 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").

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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, 2020			As at March 31st, 2019		
		Secured	Unsecured	Total	Secured	Unsecured	Total
(i)	Related parties	-	-	-	-	-	-
	a) Subsidiaries	-	-	-	-	-	-
	b) Companies in the same group	905	-	905	-	-	-
	c) Other related parties	-	-	-	-	-	-
(ii)	Other than related parties	28,13,266	89,928	29,03,194	16,58,183	93,156	17,51,339
	Total	28,14,171	89,928	29,04,099	16,58,183	93,156	17,51,339

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

(₹ in Lakhs)

Sl. No.	Category	As at March 31st, 2020		As at March 31st, 2019	
		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	66,149	66,149	11,091	11,091

* As per Ind AS 24: Related Party Disclosures

15. Concentration of Advances

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	Total Advances to twenty largest borrowers	9,00,290	3,69,163
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	29.37%	20.70%

16. Concentration of Exposures

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	Total Exposure to twenty largest borrowers / customers	9,22,979	3,89,246
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	28.51%	20.64%

17. Concentration of NPAs

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	Total Exposure to top four NPA accounts	1,02,910	50,053

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 primarily engaged in financial services to its customer accross india. The portfolio has been bifurcated into assets finance / infrastructure loans in various Infrastructure sectors which includes IT, construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

SREI EQUIPMENT FINANCE LIMITED

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19. Movement of Non Performing Assets (NPAs)

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	**Net NPAs to Net Advances (%)**	6.69% @	5.34% #
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	1,69,388	43,806
	(b) Additions during the year	3,40,732	1,30,408
	(c) Reductions during the year *	1,77,654	21,213
	(d) Closing balance	3,32,466	1,53,001
(iii)	**Movement of Net NPAs**		
	(a) Opening balance	1,31,804	30,800
	(b) Additions during the year	1,93,702	1,16,398
	(c) Reductions during the year *	1,06,289	19,582
	(d) Closing balance	2,19,217	1,27,616
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	37,584	13,006
	(b) Provisions made during the year	94,977	17,840
	(c) Write-off / write-back of excess provisions	19,312	5,461
	(d) Closing balance	1,13,249	25,385

* It includes write - off during the year

Net NPAs to Total Assets (%) as at March 31, 2020 : 5.92%

@ Net Advances represents Loans, Trade Receivables and Net Block of Assets given on Operating Lease
# 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.

20. Details of non-performing financial assets purchased from other NBFCs :

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

21. Details of Non-performing Financial Assets sold to other NBFCs :

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

22. Other Information :

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
i.	Gross Non-Performing Assets		
	(a) Related Parties	-	-
	(b) Other than related Parties	3,32,466	1,53,001
ii.	Net Non-Performing Assets		
	(a) Related Parties	-	
	(b) Other than related Parties	2,19,217	1,27,616
iii.	Assets / Receivables acquired in satisfaction of debt	55,295	40,072

SREI EQUIPMENT FINANCE LIMITED

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23. Derivatives

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

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(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	(3,767)	(585)

The nature and terms of FRA/IRS as on March 31st, 2020 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

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at year end	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark-to-market value of exchange traded IRderivatives outstanding and not "highly effective"	Nil	Nil

25. Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

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.

The Company with effect from 1st April 2016 (referred to as "Transition date") has applied the Guidance Note on Accounting for Derivative Contracts issued by Institute of Chartered Accountants of India (ICAI) (herein after referred to as "Guidance Note") which is applicable for all derivative contracts other than those covered by an existing notified Accounting Standard (AS) like forward contracts (or other financial instruments which in substance are forward contracts covered) which is covered by AS 11. Further the said Guidance Note applies to all derivative contracts covered by it and are outstanding as on the transition date with the cumulative impact (net of taxes) as on the transition date recognized in reserves as a transition adjustment and disclosed separately.

As per the requirement of the Guidance note, all applicable derivatives are recognized in the Balance Sheet at Fair Value and classified as hedging derivative, if the same are designated as part of an effective hedge relationship. The carrying amount of derivative are re measured at Fair Value throughout the life of the Contract. The method of recognizing the resulting fair value gain loss on derivative depends on whether the derivative is designated as hedging instrument and if so on the nature of the item hedged. Hedge accounting is used for derivative designated in the aforesaid way provided certain criteria's as stated in the guidance note are met.

The Company has designated the derivatives covered under the guidance note as Hedges of the highly probable future cash flows attributable to a recognized asset or liability (Cash Flow Hedge).The effective portion of the changes in fair value of derivative in case of cash flow hedges are recognized in the cash flow hedge reserve as part of the Equity. The accumulated hedge reserves in the equity are adjusted in the periods in which the hedge items effects the Income Statement. When the hedging instruments expired or sold or when the hedge no longer meet the criteria for hedge accounting, the cumulative gain / loss existing in the equity as hedging reserve remains in the equity and are adjusted when the forecasted transactions / hedge element is ultimately recognized in the income statement.

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS (Refer Note No. 45(i))
Disclosure of details as required in terms 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	2,73,500	Nil
(ii)	Marked to Market Positions [1]		
	a) Asset (+)	29,992	-
	b) Liability (-)	(379)	(3,767)
(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

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil

27. Unsecured Advances

Unsecured advance represents unsecured Loans as at March 31st, 2020 is ₹ 91,013 Lakhs (March 31st, 2019 ₹ 93,531 Lakhs) and it includes advances amounting to ₹ Nil (March 31st, 2019 ₹ Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

28. Registration obtained from other financial sector regulators : None

29. No penalties have been imposed by RBI or any other Regulators during the financial year ended March 31st, 2020 and March 31st, 2019

30. Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 25 of the Notes to the Financial Statements.

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

Sl. No.	Particulars	As at March 31st, 2020			As at March 31st, 2019		
		CARE*	BRICKWORK#	ACUITE@	CARE	BRICKWORK	ACUITE
(i)	Long Term Banking facilities	CARE A	–	–	CARE AA**	-	-
(ii)	Short Term Banking Facilities	CARE A2+	–	–	CARE A1+**	-	-
(iii)	Short Term Debt Instruments	CARE A2+	BWR A1	–	CARE A1+ **	BWR A1+	-
(iv)	NCDs/Bonds	CARE A	BWR A+	ACUITE A+	CARE AA**	BWR AA+	ACUITE AA+##
(v)	Unsecured Subordinated/Tier-II Debentures/Bonds	CARE A-	BWR A+	ACUITE A+	CARE AA-**	BWR AA+	ACUITE AA+##
(vi)	Perpetual Debentures	CARE BBB+	BWR BBB+	–	CARE A+**	BWR AA-	-

* Credit watch with negative implication
# Outlook negative
@ Under rating watch with negative implications
**Under credit watch with developing implications
##Under rating watch with developing implications

Sl. No.	Particulars	As at March 31st, 2020 #	
		CARE	BRICKWORK
(i)	Long Term Banking facilities	CARE BBB+	–
(ii)	Short Term Banking Facilities	CARE A2	–
(iii)	NCDs/Bonds	CARE BBB+	BWR A+
(iv)	Unsecured Subordinated/Tier-II Debentures/Bonds	CARE BBB	BWR A+

This represents rating assigned for outstanding borrowings which was transferred from SIFL pursuant to slump exchange.(refer Note No. 48)

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS (Refer Note No. 45(i))
Disclosure of details as required in terms 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")

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

(₹ in lakhs)

Sl. No.	Particulars	As at March 31st, 2020	As at March 31st, 2019
(i)	No. of Acccounts	1	Nil
(ii)	Aggregate value (net of provisions) of Accounts sold to SC/RC	1,895	Nil
(iii)	Aggregate consideration	1,850	Nil
(iv)	Additional Consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/loss over net book Value	(45)	Nil

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

34. Off Balance Sheet SPV's sponsored : Nil

35. Details of Financing of Parent Company Products :
Financing of Parent Company products during the financial year ended March 31st, 2020 is ₹ Nil (Previous year ₹ Nil)

36. Disclosure of Complaints

Sl. No.	Customer Complaints	As at March 31st, 2020	As at March 31st, 2019
(i)	No. of complaints pending at the beginning of the year	-	-
(ii)	No. of complaints received during the year	17	33
(iii)	No. of complaints redressed during the year	17	33
(iv)	No. of complaints pending at the end of the year	-	-

37. 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, 2020, no fraud was committed and reported to the RBI.